

# ANNUAL REPORT

## Drinking Water State Revolving Fund 2023





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## **I. Introduction**

Providing safe, abundant drinking water to Missourians requires almost continuous infrastructure additions and improvements. Since the program's inception, the Drinking Water State Revolving Fund (SRF) has been one of Missouri's primary funding sources for making investments in communities and the future of our state. The Drinking Water SRF program, managed by the Missouri Department of Natural Resources' Financial Assistance Center (FAC), on behalf of the Safe Drinking Water Commission (SDWC), makes low-interest loans to communities to help them meet their drinking water needs. The department is committed to protecting Missouri's water resources that are so important to public health and its economy.

This report details the activities undertaken to reach the goals and objectives set forth in the Intended Use Plan (IUP) developed for 2023. It also describes progress made toward long and short term program goals, the sources and uses of all funds, financial status of the Drinking Water SRF program, and compliance with federal requirements.

## **II. Executive Summary**

This report addresses operation of the Drinking Water SRF program during the reporting period from October 1, 2022, through September 30, 2023, Federal Fiscal Year (FFY) 2023.

Missouri's Drinking Water SRF program was awarded \$95,513,000 in Environmental Protection Agency (EPA) capitalization grants during the reporting period. Missouri made one direct loan totaling \$594,000 and ten SRF grants totaling \$2,052,900 during the reporting period. During this reporting period, no pooled leveraged loan closings occurred.

The Water and Wastewater Loan Revolving Fund (Fund 0602) was established to receive loan repayments, which are then used to make new loans. As of September 30, 2023, the Water and Wastewater Loan Revolving Fund had a balance of \$135,791,857. The Drinking Water SRF capitalization grant balance for Drinking Water SRF projects was \$111,560,762 as of September 30, 2023. The EPA capitalization grant balance related to the Drinking Water set-asides was \$18,191,198 as of September 30, 2023. The Drinking Water SRF capitalization grant balance total was \$129,751,960.

Since inception, Missouri's Drinking Water SRF program was awarded a total of \$543,498,100 in EPA capitalization grants and amendments through September 30, 2023. This amount includes an in-kind amount of \$1,444 on the FS997629-00 grant and an in-kind amount of \$100,000 for each of the FS997629-06 and FS997629-08 grants, \$74,397 on the FS997629-11, and \$63,000 on the FS997629-21 grant. During State Fiscal Year (SFY) 2013, \$18,500,000 of Drinking Water SRF capitalization grant funds were transferred to the Clean Water SRF program. FS997629-07, FS997629-08, FS997629-09 and FS997629-10 Drinking Water SRF capitalization grants were amended to reflect this transfer of capitalization grant funds. In FFY 2014, \$5,000 was rescinded from the Drinking Water SRF capitalization grant. These amounts are not available to be drawn.

The Drinking Water SRF program has contributed state match of \$85,040,024, which included \$20,893,182 of state appropriations, \$42,276,597 of revenue bonds, \$7,085,242 of funds

contributed through rural water grants and a transfer of \$14,785,003 from the administration fee fund. Since inception of the program, the State of Missouri has made 73 leveraged loan commitments totaling \$250,735,000; 91 direct loan commitments totaling \$206,813,200; and 104 grant commitments totaling \$65,971,428.

Following is a list of all the Drinking Water SRF capitalization grant awards from the inception of the program through the 2023 reporting period.

<b>Drinking Water SRF Capitalization Grants</b>		
<b>Federal Fiscal Year</b>	<b>Award Amount</b>	<b>Cumulative</b>
1997	\$ 21,857,600	\$ 21,857,600
1998	\$ 9,574,900	\$ 31,432,500
1999	\$ 10,035,400	\$ 41,467,900
2000	\$ 10,429,700	\$ 51,897,600
2001	\$ 10,472,900	\$ 62,370,500
2002	\$ 11,702,600	\$ 74,073,100
2003	\$ 11,633,700	\$ 85,706,800
2004	\$ 12,066,800	\$ 97,773,600
2005	\$ 12,041,300	\$ 109,814,900
2006	\$ 15,978,200	\$ 125,793,100
2007*	\$ 15,978,000	\$ 141,771,100
2008*	\$ 15,816,000	\$ 157,587,100
2009*	\$ 15,816,000	\$ 173,403,100
2010*	\$ 37,862,000	\$ 211,265,100
ARRA	\$ 26,234,000	\$ 237,499,100
2011	\$ 18,204,000	\$ 255,703,100
2012	\$ 17,348,000	\$ 273,051,100
2013	\$ 16,277,000	\$ 289,328,100
2014**	\$ 17,855,000	\$ 307,183,100
2015	\$ 17,738,000	\$ 324,921,100
2016	\$ 16,781,000	\$ 341,702,100
2017	\$ 16,637,000	\$ 358,339,100
2018	\$ 19,582,000	\$ 377,921,100
2019	\$ 19,399,000	\$ 397,320,100
2020	\$ 19,411,000	\$ 416,731,100
2021*	\$ 19,394,000	\$ 436,125,100
2022 - Base	\$ 12,354,000	\$ 448,479,100
2022 - Supp	\$ 31,720,000	\$ 480,199,100
2022 - EC	\$ 13,319,000	\$ 493,518,100
2022 - Lead	\$ 49,980,000	\$ 543,498,100

\*The revised grant amount is listed in this table. These grants were amended.

\*\*The revised grant amount is listed in this table. This grant had a federal rescission.

Following is a summary of Drinking Water SRF binding commitments. The cumulative total of Drinking Water SRF binding commitments as of September 30, 2023, is \$523,519,628. The Drinking Water SRF program has never had a recipient default on any loan.

<b>Binding Commitment Summary</b>	
Cumulative Binding Commitments	Amount
Leveraged Loans	\$250,735,000
Direct Loans (excludes Loans Paid with Leveraged Loans)	206,813,200
ARRA Grants	18,948,152
SRF Grants	47,023,276
Total Binding Commitments	\$523,519,628

### **III. 2023 Binding Commitments**

The department entered into one direct loan commitment as well as ten grant commitments totaling \$2,646,900 during the reporting period.

Missouri typically provides additional subsidization as grant due to the state's statutory requirement that municipalities utilize bond authority to accept principal forgiveness or negative interest subsidies. However, after passage of the America's Water Infrastructure Act (AWIA) in 2018, the department is required to make additional subsidies available through principal forgiveness rather than grant with a specified percentage of its capitalization grant, beginning with the 2019 capitalization grant. During this reporting period, program funds were made available to eligible projects through a combination of an Affordability Grant or Regional Connection Grant up to 75 percent grant and the remaining portion as a loan with a maximum grant of \$3,000,000 per recipient.

<b>Drinking Water SRF Direct Loans and Affordability Grants for FFY 2023</b>					
Recipient	Total Amount	Loan Amount	Grant Amount	Award Date	Project #
Pineville	\$2,375,100	\$594,000	\$1,781,100	09/20/2023	DW291141-02
2023 Total	\$2,375,100	\$594,000	\$1,781,100		

<b>Drinking Water SRF Engineering Report Grants for FFY 2023</b>			
<b>Recipient</b>	<b>Grant Amount</b>	<b>Award Date</b>	<b>Project #</b>
MOARK Water Company	\$ 24,000	10/06/2022	DER-135-22
Miller	30,000	10/28/2022	DER-134-22
Iberia	22,800	12/22/2022	DER-118-22
Branson West	30,000	06/05/2023	DER-142-23
Braymer	37,500	06/05/2023	DER-141-23
Stockton	30,000	08/03/2023	DER-138-23
Arcola	30,000	08/14/2023	DER-144-23
Parma	37,500	08/16/2023	DER-145-23
Bosworth	30,000	09/19/2023	DER-139-23
2023 Total	\$271,800		

#### **IV. Cumulative Binding Commitments**

Exhibit 1 provides a listing of the binding commitments since the inception of the program. The cumulative total Drinking Water SRF binding commitments on September 30, 2023, was \$523,519,628.

Since the inception of the Drinking Water SRF program, 268 binding commitments have been made. Of the 268 binding commitments entered into, 73 were leveraged loans, 91 were direct loans and 104 were grants. Three interim direct loans, which are not included in the binding commitment totals, were repaid and replaced with a leveraged loan.

The innovative financing provided through the Drinking Water SRF program allows communities to save a considerable percentage of the interest cost of conventional loans. To date, Missouri's Drinking Water SRF program has saved communities an estimated \$139,447,124 in lower interest compared to the higher interest rates of conventional financing. Additional subsidization through the Drinking Water SRF program has saved communities an estimated \$65,971,428.

#### **V. Drinking Water SRF Applications and Loans Awarded**

Following is a summary of the number of initial new and carryover Drinking Water SRF and Lead Service Line applications for the 2023 reporting period. This information was taken from the IUP for FFY 2023.



<b>Drinking Water SRF Applications FFY2023</b>		
<b>Projects Accepted</b>	<b>Base and Supplemental</b>	<b>Lead Service Lines</b>
Number of Initial New Projects	29	226
Number of Carryover Projects	6	-
Total Number of Projects	35	226
Total Amount Requested of New Projects	\$207,442,282	\$125,551,698
Total Amount Requested of Carryover Projects	\$ 15,641,958	\$ -
Total Amount Requested of Projects	\$223,084,240	\$125,551,698
Total Population Served for New Projects	273,227	1,354,588
Total Population Served for Carryover Projects	6,881	-
Total Population Served	280,108	1,354,588

The table below summarizes the number of projects approved, the amounts of the loans, grants and the total population served for those projects.

<b>Drinking Water SRF Loan Projects Approved and Loans Awarded FY2023</b>		
	<b>Base and Supplemental</b>	<b>Lead Service Lines</b>
Number of Projects Approved	10	-
Total Amount of Loans Closed	\$ 594,000	\$ -
Total Amount of Grants Closed	\$2,052,900	\$ -
Total Population Served	8,299	-

The following table shows the cumulative Drinking Water SRF leveraged loan closings since the beginning of the program.

<b>Cumulative Drinking Water SRF Leveraged Loans</b>				
<b>Bond Pool</b>	<b>Number of Loans</b>	<b>Total Loan Amount</b>	<b>Average Subsidized Interest Rate + 0.5 Administration Fee</b>	<b>Cumulative Amount</b>
1998A	2	\$28,795,000	3.58%	\$28,795,000
1999A	1	\$2,315,000	3.57%	\$31,110,000
1999B	2	\$4,320,000	4.07%	\$35,430,000
2000A	6	\$20,490,000	4.01%	\$55,920,000
2000B	4	\$6,810,000	3.87%	\$62,730,000
2001A	4	\$6,295,000	3.43%	\$69,025,000
2001C	7	\$23,400,000	3.95%	\$92,425,000
2002A	4	\$10,370,000	2.93%	\$102,795,000
2002B	4	\$26,705,000	2.93%	\$129,500,000
2003B	4	\$11,445,000	2.68%	\$140,945,000
2003C	5	\$11,290,000	2.20%	\$152,235,000
2004B	2	\$3,605,000	2.13%	\$155,840,000
2004C	5	\$9,720,000	2.13%	\$165,560,000
2005A	3	\$28,105,000	2.27%	\$193,665,000
2005C	4	\$29,780,000	1.84%	\$223,445,000
2006A	3	\$2,000,000	2.05%	\$225,445,000
2006B	1	\$2,295,000	2.08%	\$227,740,000
2007A	6	\$11,805,000	1.83%	\$239,545,000
2007B	1	\$385,000	2.01%	\$239,930,000
2008A	5	\$10,805,000	2.13%	\$250,735,000

The table below summarizes the cumulative Drinking Water SRF direct loans since the program moved to cash flow direct loans.

<b>Cumulative Drinking Water SRF Cash Flow Direct Loans</b>				
<b>Period Ending</b>	<b>Number of Loans</b>	<b>Total Loan Amount</b>	<b>Average Subsidized Interest Rate + 0.5 Administration Fee</b>	<b>Cumulative Amount</b>
June 30, 2008	1	\$4,163,000	1.90%	\$4,163,000
June 30, 2009	1	\$2,900,000	2.23%	\$7,063,000
June 30, 2010	21	\$24,426,700	1.99%	\$31,489,700
June 30, 2011	5	\$2,692,900	2.37%	\$34,182,600
June 20, 2012	6	\$12,344,000	2.24%	\$46,526,600
June 30, 2013	9	\$7,153,600	2.08%	\$53,680,200
Sept. 30, 2014	6	\$30,090,000	2.03%	\$83,770,200
Sept. 30, 2015	7	\$7,893,000	1.82%	\$91,663,200
Sept. 30, 2016	6	\$53,540,000	1.61%	\$145,203,200
Sept. 30, 2017	8	\$19,051,000	1.66%	\$164,254,200
Sept. 30, 2018	4	\$3,334,000	1.68%	\$167,588,200
Sept. 30, 2019	2	\$3,003,000	1.51%	\$170,591,200
Sept. 30, 2020	4	\$10,593,000	1.34%	\$181,184,200
Sept. 30, 2021	3	\$7,162,000	1.30%	\$188,346,200
Sept. 30, 2022	7	\$17,873,000	1.48%	\$206,219,200
Sept. 30, 2023	1	\$594,000	1.75%	\$206,813,200

## **VI. Objectives and Goals of the Drinking Water State Revolving Fund**

Each year the department evaluates the operations and the financial structures of the SRF program to gauge program effectiveness. This evaluation includes a qualitative assessment of the department's progress toward meeting long and short term goals established in the FFY 2023 IUP.

### **Long Term Objectives and Goals**

In order to meet the long term objectives of improving the Drinking Water SRF's operations and services to its clients, the department developed the following goals:

1. Provide assistance to projects that protect public health by ensuring Missouri citizens served by public water supplies will have water that is safe to drink.
2. Provide assistance to projects that increase the long-term sustainability of existing and proposed water systems, and encourage projects to consolidate, interconnect, or regionalize drinking water systems.
3. Provide financial assistance to participants, by providing low cost financing with prudent fiscal and credit standards.

4. Encourage systems to choose projects with the most cost-effective solutions.
5. Protect source water for drinking water systems.
6. Manage projects and work efficiently with participants to ensure projects proceed toward a binding commitment in a timely manner.
7. Use all funds in a timely and expeditious manner.
8. Continue to implement and enhance the department's Capacity Development Program, which implements a strategy to improve the technical, managerial, and financial capacity of Missouri's public water systems. Additional information is available at <https://dnr.mo.gov/water/business-industry-other-entities/technical-assistance-guidance/public-drinking-water-systems/capacity-development>.
9. Remain flexible in the implementation of Bipartisan Infrastructure Law (BIL) funding to address a wide variety of local water quality and public health challenges.

### **Short Term Objectives and Goals**

In order to meet the short term objectives of improving the immediate operations and the availability of services to its clients, the department developed the following goals:

1. Implement a marketing strategy focused on recruiting large projects to increase use of the DWSRF program.
2. Utilize additional subsidization incentives to assist disadvantaged communities and regionalization projects.
3. Continue to look for ways to increase investment in disadvantaged communities.
4. Establish additional technical assistance opportunities to support disadvantaged communities previously unable to complete SRF funding requirements.

## **VII. Progress Toward Achieving Objectives and Goals**

This section of the annual report describes the progress that has been made in meeting those long and short term objectives and goals for the period from October 1, 2022, to September 30, 2023.

### **Progress Toward Meeting the Long Term Objectives and Goals**

Goal 1: Provide assistance to projects that protect public health by ensuring Missouri citizens served by public water supplies will have water that is safe to drink.

The department continues to meet this objective by providing affordable financing to public water systems for drinking water infrastructure improvements. These improvements allow public water systems to continue providing safe, clean and abundant drinking water to the citizens of Missouri. Department project managers market the program and assist each applicant to successfully navigate the SRF process and reach a binding commitment. During the reporting period, ten projects entered into funding commitments.

The department's Public Drinking Water Branch (PDWB) continues to provide oversight of all public water systems in the state to promote compliance with the Safe Drinking Water Act (SDWA).



The PDWB uses set-aside funding to assist public water systems with compliance and public health issues by implementing and administering activities described in Section VIII of this report.

Goal 2: Provide assistance to projects that increase the long-term sustainability of existing and proposed water systems, and encourage projects to consolidate, interconnect, or regionalize drinking water systems.

The department's SRF staff work with PDWB staff to identify small and struggling systems and encourage funding options that promote system sustainability, with an emphasis on regionalization and consolidation.

The department's priority point criteria is designed to allocate funding to eligible projects that address the most serious risks to human health, ensure compliance with requirements of the Safe Drinking Water Act, and assist systems most in need. This ensures funding of those most-needed projects. Staff evaluates each applicant's Technical, Managerial and Financial (TMF) capacity, and provides coaching during project development that improves each applicant's TMF knowledge and capacity.

The department works with each applicant as their project is developed to evaluate all appropriate alternatives, interconnections and regionalization. Staff then works with the applicant to select the method that best addresses the system's drinking water needs in a manner that enhances long term sustainability.

Goal 3: Provide financial assistance to participants, by providing low cost financing with prudent fiscal and credit standards.

The Drinking Water SRF offers a fixed-rate loan with a subsidized target interest rate of 70 percent below the market rate published the week prior to loan closing. The standard loan term is 20 years, however, terms of up to 30 years, not to exceed the useful life of the project, are available. The department utilizes a robust credit evaluation process. All applicants are required to provide a completed due diligence questionnaire (DDQ) that includes a variety of information, including 3 years of financial history and a user rate analysis. Department project managers and financial staff review all submittals to verify that the applicant has a sound financial capacity and that projected future revenue is sufficient to address both operation and maintenance and debt service.

Goal 4: Encourage systems to choose projects with the most cost-effective solutions.

The department coordinates with applicants throughout the project development process, thoroughly reviews the facility plans and scopes of work for each project, and provides input to encourage the most cost-effective solutions, when feasible.

Goal 5: Protect source water for drinking water systems.

The department's priority point criteria awards points for projects that include source water protection. The department uses set-asides to protect source water for public drinking water systems through a grant available to community water systems to plug abandoned wells that pose a threat to

the drinking water aquifer and through other source water protection efforts. More information on the well plugging grants and the department's source water protection efforts are detailed in Section VIII of this report.

Goal 6: Manage projects and work efficiently with participants to ensure projects proceed toward a binding commitment in a timely manner.

Department project managers work closely with participants to ensure compliance with funding requirements, timely submittal of required documents in a complete manner, and that projects stay on track. The department continues to look at streamlining process and standard operating procedures to assist participants in the timely submittal of documents.

Goal 7: Use all funds in a timely and expeditious manner.

The department developed a strategic plan for improving the prompt use of Drinking Water SRF funds. The plan includes, but is not limited to, increasing marketing and workshops; developing a DWSRF guidance for communities; targeting outreach to communities and privately owned utilities with large capital projects; streamlining processes to decrease the time from application to funding; and adoption of new project management tools for staff.

The BIL implementation memo encouraged states to make commitments, such as enter into loans and grants and disburse the funding, within one year after receipt of each capitalization grant from EPA. The department commits to disbursing capitalization grant funding within one year of receipt, so long as there are sufficient DWSRF binding commitments. The department also applied for conditional capitalization grants, prior to receiving project applications. This allows the department to commit the funding at a faster pace once an application is received, because the department received the award in advance.

Goal 8: Continue to implement and enhance the department's Capacity Development Program, which implements a strategy to improve the technical, managerial, and financial capacity of Missouri's public water systems.

The department assists applicants with the review of their operations, financial stability, infrastructure needs, and ability to maintain or achieve compliance with Drinking Water Regulations.

The PDWB uses set-aside funding to develop, update, and implement Missouri's Capacity Development Strategy, which is a comprehensive plan for assisting all public water systems with their TMF viability. The PDWB evaluates the TMF capacity of new community and nontransient-noncommunity systems to ensure they can provide safe and adequate drinking water over the long term.

Goal 9: Remain flexible in the implementation of BIL funding to address a wide variety of local water quality and public health challenges.

The department combined the BIL capitalization grant funding with the base funding into one Intended Use Plan and Project Priority List, which allows the department flexibility in administering

the program. The department expanded its funding opportunities to include more grant offerings, such as the Emerging Contaminants Grant and Lead Service Line Replacement Grant. The department will craft single loan and grant assistance agreements to contain the multiple types of components and activities funded by multiple pots of funds.

### **Progress Toward Meeting the Short Term Objectives and Goals**

Goal 1: Implement a marketing strategy focused on recruiting large projects to increase use of the DWSRF program.

The department hosted over a dozen virtual and in person presentations on statewide infrastructure needs and SRF funding opportunities for drinking water and wastewater treatment systems. Over 600 attendees participated in these events and learned how to plan, pay for, and build water infrastructure projects using financial assistance from state and federal agencies.

Goal 2: Utilize additional subsidization incentives to assist disadvantaged communities and regionalization projects.

The department continued to offer the Engineering Report Grant for political subdivisions of the state with a population of fewer than 3,300 for engineering costs to prepare an engineering report. Regional Connection Grants were offered to any political subdivision of the state for regional water connection projects, for up to \$3 million, but could not exceed 75 percent of the project funding. The department also offered a 100 percent grant, with maximum amounts varying based on project activity, for lead service line inventories, planning, and replacement projects for disadvantaged political subdivision of the state, not-for-profit corporations providing a wholesale or regional water supply, and inventory owned water utility corporations.

Goal 3: Continue to look for ways to increase investment in disadvantaged communities.

To ensure that disadvantaged communities benefit equitably from the historic investment in drinking water infrastructure, the department expanded applicability of the affordability grant. The affordability grant guidance was updated to reach portions of larger communities and districts with affordability challenges by utilizing data based on one or multiple census tracts.

Goal 4: Establish additional technical assistance opportunities to support disadvantaged communities previously unable to complete SRF funding requirements.

The department is working with a BIL Environmental Finance Center (EFC) Technical Assistance provider to identify a list of three to five disadvantaged communities who can use assistance in the areas of accessing infrastructure funding, reviewing water rates, capital improvement planning, asset management, etc.

## **VIII. Set-Aside Activities**

When Congress established the Drinking Water SRF program in 1996, it included special provisions called “set-asides” to help states achieve the public health protection objectives of the SDWA. The set-asides provide funding to enhance state public drinking water programs and assist systems with non-infrastructure needs.

The SDWA establishes four categories of set-asides and sets limits on the maximum percent of the capitalization grant. States may reserve up to 31 percent of each capitalization grant to support the primacy program, implement source water protection and capacity development activities, and provide technical and financial assistance to water systems. The PDWB administers these set-asides. Listed below are each of the set-asides, and the related activities the department funded during this period.

### **Administration and Technical Assistance Set-Aside (4 percent)**

The SDWA allows states to utilize up to four percent of each capitalization grant for administration of the programs established under SDWA §1452 (Drinking Water SRF programs) and for technical assistance to public water systems of any size. The department reserved the entire authorized four percent allowed under the base and general supplemental capitalization grants and used it for costs of administering the loan program. The department will reserve any unused amounts of the set-aside authority for future set-aside expenditures.

Costs associated with administering the Drinking Water SRF loan program included paying salaries and associated expenses of program personnel administering the loan program. In the time-frame covered by this report, the department used this set-aside to assist applicants and loan recipients, review projects, complete the needs survey, prioritize projects, issue loans, and track repayments. The department also uses this set-aside for all expense and equipment such as office supplies, training, etc. for the Drinking Water SRF loan program staff.

### **Small System Technical Assistance Set-Aside (2 percent)**

The SDWA allows states to utilize up to two percent of each capitalization grant for Small System Technical Assistance. The department reserved the entire authorized two percent for this set-aside from the base capitalization grant. The department will reserve any unused amounts of the set-aside authority for future set-aside expenditures.

#### *Operator Certification Voucher Program and Administration*

The department issues drinking water training vouchers annually to approximately 1,500 community and nontransient noncommunity water systems serving 3,300 people or less. Water system personnel use vouchers to pay for operator certification fees and eligible drinking water training fees for existing operators or new personnel. Public water systems have flexibility to manage voucher use by determining who may use the vouchers, allowing public water systems to use the vouchers in a manner that best meets their needs.



In FFY 2023, 627 certified operators representing 595 public water systems utilized vouchers. Uncertified individuals also used vouchers in an effort to become certified. The department processed \$242,705 in voucher requests.

### **Public Water System Supervision Program Management Set-Aside (10 percent)**

The SDWA allows states to utilize up to 10 percent of each capitalization grant for the Public Water System Supervision (PWSS) program. The department reserved the entire 10 percent of this set-aside from the base capitalization grant and 0.55 percent from the general supplemental grant to fund salaries and expenses associated with the implementation of the program, including operator certification, monitoring, compliance assistance, enforcing public notice requirements, regulation development and implementation, plan review, and overall program administration. The department will reserve any unused amounts of the set-aside authority for future set-aside expenditures.

#### *PWSS Program Implementation*

The department has a Public Water System Supervision Performance Partnership Grant work plan in place with EPA that outlines the department's commitments to maintain primary enforcement of the Safe Drinking Water Act in Missouri. The funding associated with the Performance Partnership Grant funded approximately 6 percent of the cost of implementing the required activities. The department covers the remainder of the cost with funding from this set-aside (37 percent) and from state program funds (57 percent). The department reports to EPA annually on these activities through the Performance Partnership Grant annual report.

#### *Operator Certification*

The department utilized this set-aside to fund salaries of staff that conduct trainings, proctor exams, revoke or suspend noncompliant operators, perform outreach and stakeholder activities, and provide general support for these activities. The department reports operator certification activities and accomplishments to EPA in the department's annual Operator Certification Report. The department submitted its State Fiscal Year (SFY) 2023 Annual Operator Certification Report to EPA on August 11, 2023.

#### *Source Water Protection*

The department utilized this set-aside to fund salaries and associated expenditures to update and maintain the source water protection plan guidelines. This included promoting, educating, and assisting community water systems in developing and implementing a source water protection program, maintaining department GIS data layers for public drinking water components, work plan activities with the Missouri Geological Survey (MGS), and other outreach and assistance activities. The department also utilized this set-aside to fund salaries and expenses associated with providing oversight to the department's well plugging program. More information on these activities is included in the Local Assistance and Other State Programs Set-Aside summary below.

### *Capacity Development/TMF*

The department utilized this set aside to fund salaries and associated expenditures to implement the New Systems Capacity Development Program. These activities include assisting systems with obtaining and maintaining TMF capacity as part of the permitting process, review of TMF capacity during sanitary surveys, tracking of TMF capacity for new systems, and identification of new system challenges. The department reports capacity development activities and accomplishments to EPA annually in the department's annual State Capacity Development Program Implementation Report.

### *Comprehensive Performance Evaluation (CPE)*

The department completed a CPE in FFY 2023 at the Higginsville's Drinking Water Treatment Plant. The department held the CPE in cooperation with Process Applications Incorporated (PAI) from April 3 through April 7, 2023, and included 16 team members from the department. The purpose of the evaluation was to determine the system's ability to meet specific optimization goals related to turbidity and disinfection, and to identify any performance limiting factors that may prevent the system from achieving these goals. The department provided its findings to the City of Higginsville PWS in a report dated June 28, 2023.

### *Operator Certification Exam Contract*

On January 1, 2023, the department entered a contract with a third-party company to provide computer-based and remotely proctored exam opportunities to Missouri water and wastewater operators. The department utilized this set-aside to pay for the portion of the contract related to drinking water exam services. This contract includes providing validated exam material, exam development and maintenance, and individual exam scoring. The contract also provides individuals with the choice to take an exam in-person, at a third-party brick and mortar location, or a remotely proctored exam if the candidate has sufficient equipment and appropriate conditions. The department reports the metrics for these activities in the SFY 2023 Annual Report for the Drinking Water Operator Certification Program.

### **Local Assistance and Other State Programs Set-Aside (15 percent)**

The SDWA allows states to set aside up to 15 percent of the Drinking Water SRF capitalization grant for the following activities:

- Create special loan programs for source water protection;
- Provide technical and financial assistance to public water systems as part of a capacity development strategy; and
- Establish and implement a wellhead protection program under Section 1428 of the SDWA.

For the period covered by this report, the department set aside 15 percent from the base capitalization grant and 1.25 percent from the general supplemental grant to support capacity development, wellhead protection, and source water protection activities. The department will reserve any unused amounts of the set-aside authority for future set-aside expenditures. The department has not established a loan program for source water protection.

The department funded the following activities with this set-aside during this reporting period:

- Capacity Development Strategy implementation;
- A cooperative agreement with the Missouri Geological Survey (MGS) for vulnerability assessment activities, casing depth determinations for public wells and updates to the Safe Drinking Water Inventory System;
- Wellhead and Source Water Protection;
- TMF partnerships;
- Contracts for circuit riders to provide training and technical assistance to water systems;
- Subawards to community water systems that use groundwater and plug abandoned wells that may threaten the aquifer;
- Operator Certification staff salaries to perform program activities; and
- A contract with the University of Missouri's Center for Applied Research and Environmental Systems (CARES) for maintenance of public water system source water assessment and delineation information.

#### *Capacity Development Strategy Implementation*

The department utilized this set-aside to fund salaries and associated expenditures for the implementation of the Department's Capacity Development Strategy for Existing Systems. These activities included the development and administration of capacity development related contracts and grants, coordination with TMF providers and department staff to prioritize systems in need of TMF assistance, conducting TMF capacity surveys, assisting with initiatives that promote system sustainability, and development of the Capacity Development Annual Report and the Triennial Report to the Governor.

In FFY 2023, the department completed revisions to the Capacity Development Strategy for Existing Systems. The department submitted this strategy to EPA for approval on December 23, 2022. The EPA approved the Capacity Development Strategy for Existing Systems on March 3, 2023. The department also began development of programs identified under the strategy to assist public water systems with the ability to further plan for, achieve, and maintain compliance with applicable rules and regulations. These programs include Source Water Protection Grants, the Water Safety and Security Grant, and a Water Management Training Contract. These programs are still in development, but the department expects to publish solicitation for the programs in FFY 2024. In FFY 2023, the department also prepared the Triennial Report to the Governor. The department delivered this report to the Governor and posted it to the department's webpage on September 26, 2023.

#### *Missouri Geological Survey (MGS)*

The department utilized this set-aside to fund salaries and associated expenses to implement a work plan with the MGS. Work plan activities included: performing groundwater under the direct influence (GWUDI) determinations as necessary; determining public well casing requirements for the protection of groundwater sources; maintaining public drinking water GIS data layers; providing

technical assistance regarding public well construction; analyzing pump test data for all new public wells; and performing vulnerability assessments for use in monitoring use waiver determinations.

In FFY 2023, the MGS did not perform any GWUDI determinations, but did participate with two internal coordination meetings on the determination process. The MGS issued 67 estimated casing depth letters and 23 final casing depth approval letters, and logged 42 new wells. During the reporting period, the MGS received a total of 10 new pump tests. The MGS provided 15 updates to published GIS data layers and two updates to background GIS data layers used to perform vulnerability assessments. Additionally, MGS performs vulnerability assessment analyses for newly constructed public water wells to assess each well's risk to synthetic organic chemical contamination. The MGS performed 42 use waiver assessments during the reporting period. This information is reported to the Public Drinking Water Branch quarterly, which uses the information to waive certain monitoring requirements for wells deemed not to be at risk.

#### *Wellhead and Source Water Protection*

The department utilized this set-aside to fund salaries and associated expenses related to the development and implementation of the department's Wellhead Protection Program. Activities conducted under this program include: site surveys conducted by department staff prior to the construction of new groundwater sources; developing and overseeing the activities of the MGS work plan; oversight of the contract with CARES; presenting water systems with wellhead protection plan information during sanitary surveys; and providing technical assistance to water systems on wellhead protection activities.

During FFY 2023, department staff performed 67 site surveys for potential locations of new public drinking water wells in order to identify any potential risks to the water supply. In addition, 19 public water systems received renewed endorsement from the department for their local, voluntary protection plans and 11 systems developed and submitted new, original plans. Currently, over 2.3 million Missourians, or 37.5 percent of Missouri's total population receive drinking water from community public water systems with endorsed protection plans.

#### *TMF Partnership*

The department utilized this set-aside to fund staff and related expenses to coordinate activities of EPA's Training Technical Assistance (TTA) grant recipients and the department's Circuit Rider contract. This includes attending coordination meetings with providers to establish priorities and determine progress with activities, assisting with training activities, developing the annual Circuit Rider contract, and review of monthly reports of activities.

#### *EPA TTA Provider Coordination*

The department continued to collaborate with training and technical assistance providers funded through the EPA's TTA for Small Systems Grant during FFY 2023. The department participated in coordination meetings with the Missouri Rural Water Association, the Midwest Assistance Program, and the Wichita State Environmental Finance Center to discuss priority training and technical assistance needs for Missouri's small public water systems (defined for this purpose as systems



serving a population of 10,000 or less). Training and technical assistance topics addressed include Lead and Copper Rule revisions, consumer confidence reports, asset management, the Drinking Water State Revolving Fund, PFAS, planning and budgeting, satisfying provisions of AWIA, and other general types of TMF assistance.

### *Circuit Riders*

In FFY 2023, the department contracted with technical experts from the Missouri Rural Water Association, also known as circuit riders, to assist public drinking water systems facing TMF capacity challenges. Circuit riders provided assistance for water loss, rates and reserves, treatment, disinfection, asset management, distribution mapping, natural disasters, operator certification, and source water protection. They primarily focused their efforts on systems that had difficulty obtaining resources to achieve and maintain TMF capacity. During assistance visits, circuit riders often address more than one issue encountered at the system.

During FFY 2023, circuit riders provided 323 onsite and offsite assistance visits to 149 public water systems statewide. Requests for circuit rider assistance with financial assistance and water loss outpaced all other TMF capacity requests. In FFY 2023, 41 percent of the assistance provided was technical in nature, while financial assistance and managerial assistance efforts were 48 and 11 percent, respectively.

To increase system knowledge of TMF capacity principles, circuit riders focus efforts on the correlation of water loss to rates and reserves. By linking water loss to revenue, systems learn about the technical aspects of locating and repairing a water leak, the managerial importance of documentation and budget keeping, and the financial benefit of reduced water loss.

### *Circuit Riders - Rate Studies*

Rate assistance helps water utility personnel and management understand the necessity of rate adjustments in order to ensure revenues cover the expenditures of the system. During a system visit to discuss rates and reserves, the circuit rider also discusses budgeting, asset inventory and management, and strategic planning. In FFY 2023, the circuit rider began rate assessments for 22 systems and concluded rate studies for 20 systems. After completion of the rate assessment, the circuit rider presents results to the water system decision makers, if desired by the system. During FFY 2023, one system implemented new rates to cover necessary expenses and reserves following a rate study, with an increase of over 61.9 percent. Of the 20 rate assessments completed in FFY 2023, the circuit rider determined that five public water systems had adequate rates and did not recommend a rate increase, while 15 systems had rates assessed as too low.

### *Circuit Rider - Water Loss*

While requests for financial capacity assistance outpaced requests for leak detection assistance in FFY 2023, leak detection and water loss assistance remains the most requested technical assistance category. Water loss and leak detection visits assist systems in identifying nonrevenue water, including real or physical losses of water as well as apparent losses. Identification and reduction of nonrevenue water is a major component to achieving and maintaining TMF capacity.

Promptly repairing leaks can result in cost savings for systems by reducing electrical and chemical costs, equipment and repair costs, labor cost, and customer complaints. In FFY 2023, circuit riders performed 101 leak detection visits using specialized equipment. The repair of leaks resulted in approximately 720 million gallons of water saved over the reporting period and approximately \$387,816 in monthly electrical power and treatment chemical savings. Long-term leaks, or those suspected to have leaked for more than one month, totaled nearly 461 million gallons of water loss over the estimated course of the leaks at a cost of approximately \$231,000 in electrical power and treatment chemical costs.

### *Well Plugging Grants*

The department funded well plugging grants with set-asides in this reporting period. Groundwater-based community water systems serve more than 2.1 million Missouri residents. Abandoned water wells, estimated to number as high as 500,000 across Missouri, present a real and serious threat to groundwater aquifers if not properly plugged. Since 2006, the department has provided Abandoned Well Plugging grants to groundwater-based public water systems to plug more than 116 abandoned water wells located within public water system source water or service areas across the state. During FFY 2023, the department offered a total of \$65,000 to groundwater-based water systems to plug seven abandoned wells through eight awards. To date, one project is complete, and seven are still active. The department's FFY 2024 cycle of abandoned well plugging grants opened for applications in November and applicants may submit project proposals through the end of April, 2024.

### *Operator Certification*

This set-aside funded salaries of staff that conduct trainings, proctor exams, revoke or suspend noncompliant operators, perform outreach and stakeholder activities, and provide general support for these activities. The department reports operator certification activities and accomplishments to EPA in the department's annual Operator Certification Report.

### *CARES*

The department contracted with the CARES to maintain public water system source water assessment and delineation information and to refine and revise the susceptibility determination assessments, which water systems can use to improve protections for the source of its drinking water. CARES maintains the Missouri Source Water Assessment Portal, a website showing source water locations, potential contamination sites, and other data. In FFY 2023, the portal received a total of 2,385 visits.

### **Lead Set-aside**

The department intends to use the 4 percent from program administration, 2 percent from small system technical assistance, and 15 percent from local assistance and other state programs set-asides from the lead service line replacement capitalization grant for lead service line inventories, design, and replacement projects in the form of a grant to eligible recipients.

## **IX. Maintaining Drinking Water SRF Financial Assistance Programs**

The department operates a number of financial assistance programs for drinking water infrastructure.

### **Financial Assistance Programs**

#### **1. Direct Loan**

The department's primary financial tool to fund public drinking water improvements is the Drinking Water SRF Direct Loan program. For the 2023 reporting period, for direct loans and grants the department reserved 69 percent of the annual base capitalization grant, 94 percent of the general supplemental capitalization grant, 100 percent for the emerging contaminants capitalization grant, and 100 percent of the lead service line replacement grant. Grants are discussed in the next paragraph. The subsidy rate for all loans awarded during this reporting period was 70 percent of the market interest rate. In this reporting period, the department awarded a \$594,000 direct loan to one drinking water system. This one loan with Pineville is for a 20 year term.

#### **2. Additional Subsidization**

The FFY 2022 Drinking Water SRF capitalization grant requires that at least 14 percent of the base capitalization grant, 49 percent of the general supplemental capitalization grant, 100 percent of the emerging contaminants capitalization grant, and 49 percent of the lead service line replacement grant be used to provide additional subsidization to eligible recipients. In addition, America's Water Infrastructure Act (AWIA) of 2018 amended the SDWA to require states to provide loan subsidies, in the form of principal forgiveness or negative interest loans, to disadvantaged communities in an amount totaling between 6 percent and 35 percent of the capitalization grant awarded.

For this reporting period, the department reserved \$55,081,560 of the capitalization grants for additional subsidies in the form of Drinking Water SRF grants and \$1,482,480 in the form of principal forgiveness. Drinking Water SRF base and general supplemental grant funds were awarded to eligible, disadvantaged community projects through a combination of up to 75 percent grant and a direct loan for the remaining project amount, with a maximum grant of \$3,000,000 per recipient. A disadvantaged community is any system with a population of less than 3,300, whose user rates will be at or above 2 percent of the recipient median household income and the recipient median household income is at or below 75 percent of the state average. The emerging contaminants grant will be awarded to projects whose scope is eligible. Projects eligible to receive funding for lead service line inventories and are disadvantaged communities will receive 100 percent grant funding and all other projects will receive a loan and grant funding package.

In this reporting period, the department awarded \$2,052,900 in grants to ten different drinking water systems.

### **Order of Priority for Distribution of Loan and Additional Subsidization Funds**

For this reporting period, the department developed written criteria to prioritize the ranking of projects for loans and additional subsidization so that the most serious problems were given the highest priority. Consistent with the Federal SDWA, priorities are based on protection of public

health, compliance, and household affordability. The SDWC annually approves the criteria after public review. Further, it is the department's policy to prioritize financial assistance to communities that cannot otherwise afford conventional financing. To meet this goal, the Department uses the following criteria listed in order of priority:

1. 20 percent to very small community systems serving up to 3,300 people,
2. 15 percent to small systems serving 3,301 to 9,999 people, and
3. 65 percent to general communities (not restricted by population served)

Available capitalization grant funds, state match revenues, interest earned, and additional subsidization funds for this reporting period were allocated to projects according to priority ranking.

### **Project Reviews**

The application deadline for new 2023 projects was March 1, 2022 in order to receive first consideration for available grant and loan funds. However, applications are accepted at any time to maximize use of funds.

The department reviews all applications for eligibility, ranks eligible projects and lists projects on the IUP. Eligible loan recipients are community water system. Projects include expenditures of a type that facilitate compliance with the SDWA and advance the public health purposes of the SDWA. In order to proceed to a binding commitment, the department reviews the applicant's financial capacity, engineering documents, environmental documents, contracts and ordinances for compliance with state and federal requirements.

### **Small System Allotment**

Section 640.107 of the Missouri Safe Drinking Water statute requires that the Drinking Water SRF program allocate a portion of available funds to small systems. Loans for systems serving less than 10,000 people must be given priority consideration for no less than 15 percent of the available funds. Loans for systems serving 3,300 people or less must be given priority consideration for at least 20 percent of the available funds.

As of the end of the 2023 reporting period, the department has awarded a cumulative total of 164 drinking water loans and 104 grants to community public water supply systems for a total of \$523,519,628. Of these awarded loans and grants, 129 loans and 99 grants were awarded to water systems serving populations of less than 10,000 for \$258,404,128, or approximately 49 percent of the total. Therefore, the amount of the SRF loan program funds awarded to systems serving less than 10,000 is above the minimum 35 percent required by the Missouri Safe Drinking Law, and well above the 15 percent minimum required by the Federal SDWA. Exhibit 1 summarizes the leveraged and direct loans awarded since the beginning of the program.

The following table summarizes the loans and grants awarded in this reporting period, including the need category related to each project.

<b>Drinking Water SRF Loans &amp; Grants Awarded in FFY 2023</b>							
	Amount Awarded	Project Categories					
		Source	Treatment	Storage	Transmission	Planning	Other
Arcola	Grant: \$30,000					X	
Bosworth	Grant: \$30,000					X	
Branson West	Grant: \$30,000					X	
Braymer	Grant: \$37,500					X	
Iberia	Grant: \$22,800					X	
Miller	Grant: \$30,000					X	
MOARK Water Company	Grant: \$24,000					X	
Parma	Grant: \$37,500					X	
Pineville	Loan: \$ 594,000 Grant: \$1,781,100		X	X	X		
Stockton	Grant: \$30,000					X	
Total for 2023	Loan: \$ 594,000 Grant: \$2,052,900						

The following table provides a description of Drinking Water SRF projects awarded in this reporting period.

<b>Drinking Water SRF Projects Approved in FFY 2023</b>	
Water System Name Award Amount	Project Description
Pineville \$2,375,100	The project consists of improvements to the recipient's treatment, storage, supply, and distribution systems. The water treatment improvements consist of the addition of Water Remediation Technology (WRT) to address radionuclide removal at the Mountain Ridge Well. The water storage improvements consists of the replacement of the existing Mountain Ridge Tower with a new, 200,000 gallon bolted steel standpipe. These improvements will also include a connection to the existing distribution system and security fencing, along with all the necessary electrical work and appurtenances for a new storage tank. The water supply improvements consist of the installation of a new well pump at the existing Mountain Ridge Well. The water distribution improvements consist of the replacement of approximately 2,500 feet of water main and will include all necessary appurtenances.

## **X. EPA Recommendations on Performance Evaluation Report/Annual Program Review**

Staff from EPA Region 7 conducted a program evaluation of the FFY 2022 Drinking Water SRF program on June 13 through June 15, 2023. The final program evaluation report for the SRF program included the following recommendations and observations:

1. The Annual Report was received on December 31, 2022. EPA Region 7 commends Missouri for the timely submission of the FFY 2022 Annual Report and for their commitment of annual independent audits.
2. In SFY 2022, Missouri was appropriated \$495.7 million in America Rescue Plan Act (ARPA) grant funding dedicated to infrastructure for drinking water, clean water and stormwater projects

and lead service line inventory projects for eligible applicants. The Program was also appropriated state general revenue funds for SFY 2023 to use towards state match requirements (which must be used before federal funding) and is scheduled to receive state general revenue appropriations in SFY 2024 of \$84.9 million earmarked for water infrastructure projects. This additional grant funding has affected the pool of applicants for SRF loans and stalled loan activity. EPA applauds SRF and FAC staff working diligently to perform assigned additional tasks for these programs while continuing to fulfill SRF program and fiscal duties.

3. SRF and FAC staff are working with applicants that did not receive grant funding to look at SRF loans and continue discussions with potential loan applicants with larger public water system projects with the goal of improving loan pace. The Program is set to close on approximately \$10 million in loans by the end of September 2023, in time for the SFY 2023 annual review. Missouri will continue to provide EPA biannual updates to their timely and expeditious (T&E) use plan to show the status of how these efforts are working.
4. EPA commends Missouri for its commitment to independent audits for the SRF programs. The 2022 independent audit for the DWSRF Program had not been issued at the time of the annual review. FFY 2021 independent audits and FFY 2022 unaudited financial statements included in the Annual Report were used which included an unmodified opinion and only one minor finding which has been resolved. Region 7 staff will review the independent audits and audit work papers when they are available and address any necessary FFY 2022 PER updates at that time (if applicable).
5. No improper payments were found during the cash draw transaction testing. Project files were complete, and EPA Region 7 appreciates the State supplying electronic files in advance of the on-site review.
6. EPA Region 7 staff want to thank EPA Headquarter staff for their in-person participation in the on-site review (Mark Mylin, Bradley Raszewski, and Casey Koleski). Headquarter staff provided valuable feedback during discussions and secured information for both Missouri and Region 7 staff when needed. Their time and expertise were greatly appreciated.

## **XI. Proposed Improvements**

The department's FAC engages in continual marketing efforts intended to communicate the benefits of the Drinking Water SRF program. The department also continues to evaluate the program's administrative procedures to streamline processes and improve customer service.

## **XII. Policy Summary**

The department has implemented regulations and policies to ensure the long term fiscal health of the Drinking Water SRF program, attain and maintain compliance with the SDWA, and carry out other provisions of the law. The department protects the financial health of the Drinking Water SRF program by reviewing the creditworthiness of applicants, attaining proper surety and cross-collateralization.

- The FAC and the EIARA review the creditworthiness of applicants to make sure they can safely meet their obligations in the loan program.
- As a form of surety, publicly-owned entities must offer revenue or general obligation bonds. Privately-owned entities may offer other appropriate forms of surety.

- The Drinking Water SRF program is cross-collateralized with the Clean Water SRF program as authorized by federal (P.L. 105-66).

The department attains and maintains compliance with the SDWA by setting priorities and reviewing projects.

- As previously addressed, priorities for projects funded through the loan program are approved annually by the SDWC after public review. The resulting criteria express priorities as a point system by which the department ranks loan applicants. The department awards points to projects that address SDWA compliance, public health, affordability on a per household basis, and security issues.
- The department reviews all applicants for eligibility and assigns priority points before issuing its IUP. Before loan closing, the department reviews the applicant's engineering documents, environmental documents, contracts, creditworthiness, bond covenants, and ordinances for compliance with state and federal requirements.

The department's review achieves other purposes of the law by providing technical assistance and coordinating with other funding programs.

- The funding order of projects may not be identical to the fundable priority ranking in the annual IUP. Readiness to proceed is an important factor; however, the general order of project ranking will be followed to the extent a project progresses to a binding commitment. The department encourages projects to proceed in a timely manner.
- The department, with approval of the SDWC, may bypass any project on the fundable priority list that is not, in the opinion of the department, making satisfactory progress toward satisfying requirements for Drinking Water SRF program assistance. Rules governing bypass procedures appear in 10 CSR 60-13.020(3)(A).
- Any project on the fundable priority list may be bypassed if the applicant fails to submit the documents required for Drinking Water SRF assistance at least 60 days prior to the beginning of the quarter for which the assistance is anticipated. Furthermore, the department may develop schedules to determine whether a Drinking Water SRF project is making satisfactory progress. A project may be bypassed for failure to meet the schedule.
- A project that is bypassed will be removed from the fundable priority list, and if the application is still valid, will be placed on a project list, in priority order, for funding consideration in the next FFY.
- The department uses authorized set-asides to fund staff that provide technical assistance related to SDWA compliance and the TMF capacity of water systems.
- The department coordinates with other agencies that fund water system improvements including the Missouri Department of Economic Development, which operates the Community Development Block Grant Program, and the U.S. Department of Agriculture Rural Development. The department is continuing to try to address the needs of disadvantaged communities by supplementing Drinking Water SRF loans with other sources of funding.

### **XIII. State Match**

In accordance with federal Safe Drinking Water statutes, states are required to provide a match equal to 20 percent of the total base capitalization grant and 10 percent of the supplemental capitalization grant. Each state must deposit its match on or before the date of the grant payment. Further, it must make binding commitments equal to the grant minus set-asides plus match within one year of receiving the grant payment, except for the grant of FFY 1997. Through SFY 2003, and again for SFY 2023, the department used general revenue funds to provide the required 20 percent match. Beginning in SFY 2004, state match was provided through the proceeds of the sale of EI ERA bonds. EI ERA bonds are sold to generate 100 percent of the project costs and an appropriate percentage of those bonds are clearly identified as state match.

In 2007 and 2012, the State of Missouri issued general obligation bonds for infrastructure projects to improve water quality throughout the state. Of this, \$7,085,242 was distributed as rural water grants for use as state match.

Historically, when the loan administration fee fund balance is sufficient, the fund has been used for state match.

### **XIV. Details of Activities**

#### **Fund Financial Status**

##### **1. 2023 Binding Commitments**

Exhibit 1 is a complete binding commitment list. The following table lists the projects that began construction during the 2023 reporting period.

<b>FFY 2023 Project Construction Start Dates</b>			
<b>Name</b>	<b>Project #</b>	<b>Construction Start Date</b>	<b>Award Amount</b>
Pineville	DW291141-02	09/20/2023	\$2,375,100

##### **2. Cash Draw Ratio (Proportionality)**

Missouri used “cash flow” direct loans for the Drinking Water SRF program during the 2023 reporting period. The federal capitalization grant was not used as security for the state match bonds. In this reporting period, the state match funds for the Drinking Water capitalization grant were utilized first before drawing any federal funds from that grant. Once state match funds were utilized, the cash draws were 100 percent federal funds.

##### **3. Green Project Reserve**

The costs associated with green project reserve components have been applied to the FFY 2010 and FFY 2011 capitalization grants; however, the FFY 2011 capitalization grant was the last year green project reserve was required, as shown in the following table. Green project reserve was not a grant requirement in subsequent capitalization grants.



<b>Federal Fiscal Year</b>	<b>GPR Requirement</b>	<b>GPR Awarded</b>
2010	\$5,246,800	\$5,246,800
2011	\$3,640,800	\$3,640,800

The following projects were identified to have green project reserve components and the associated costs were applied toward the FFY 2010 capitalization grant green project reserve requirement.

<b>Project ID</b>	<b>Recipient Name</b>	<b>Loan Date</b>	<b>Loan Amount</b>	<b>GPR Amount</b>	<b>Water Efficiency</b>
DW291228-01	Barry County PWSD #2	06/22/2011	\$ 564,000	\$ 419,925	\$ 419,925
DW291234-01	City of Clarksburg	10/05/2011	748,000	458,762	458,762
DW291308-01	City of Neosho	12/19/2011	9,425,000	2,030,200	2,030,200
DW295258-01	City of Desloge	09/27/2012	1,564,000	1,564,000	1,564,000
DW291293-01	City of Warsaw	11/28/2012	1,478,000	773,913	773,913
	Total		\$13,779,000	\$5,246,800	\$5,246,800

The following projects were identified to have green project reserve components and the associated costs were applied toward the FFY 2011 capitalization grant green project reserve requirement.

<b>Project ID</b>	<b>Recipient Name</b>	<b>Loan Date</b>	<b>Loan Amount</b>	<b>GPR Amount</b>	<b>Water Efficiency</b>
DW291293-01	City of Warsaw	11/28/2012	\$1,478,000	\$ 704,087	\$ 704,087
DW291322-01	Jefferson County PWSD #8	11/29/2012	520,000	520,000	520,000
DW291162-04	City of Linn	01/30/2013	2,260,620	943,128	943,128
DW291324-01	Jefferson County PWSD #12	05/22/2013	1,732,000	1,473,585	1,473,585
	Total		\$5,990,620	\$3,640,800	\$3,640,800

#### 4. Additional Subsidy

The following table lists the additional subsidy requirements for each drinking water capitalization grant and the progress toward meeting the requirements.

<b>Federal Fiscal Year</b>	<b>Minimum Required</b>	<b>Maximum Allowed</b>	<b>Planned Amount</b>	<b>Awarded</b>	<b>Fully Disbursed?</b>
2010	\$5,430,438	\$18,101,460	\$7,870,200	\$7,870,200	Yes
2011	5,461,200	unspecified	5,461,200	5,461,200	Yes
2012	3,469,600	5,204,400	5,204,400	5,204,400	Yes
2013	3,255,400	4,883,100	4,883,100	4,883,100	Yes
2014	3,571,000	5,356,500	3,828,073	3,828,073	Yes
2015	3,547,600	5,321,400	3,547,600	3,547,600	Yes
2016	3,356,200	3,356,200	3,356,200	3,356,200	Yes
2017	3,327,400	3,327,400	3,327,400	3,327,400	Yes
2018	3,916,400	3,916,400	3,916,400	3,916,400	Yes
2019	3,879,800	3,879,800	3,879,800	3,879,800	Yes
2019-AWIA*	1,163,940	6,789,650	1,163,940	-	No
2020	2,717,540	2,717,540	2,717,540	1,490,809	No
2020-AWIA*	1,164,660	6,793,850	1,164,660	-	No
2021	2,715,160	2,715,160	2,715,160	-	No
2021-AWIA*	1,163,640	6,787,900	1,163,640	-	No
2022	1,729,560	1,729,560	1,729,560	-	No
2022-AWIA**	1,482,480	4,323,900	1,482,480	-	No
2022-Supp	15,542,800	15,542,800	15,542,800	-	No
2022-EC	13,319,000	13,319,000	13,319,000	-	No
2022-Lead	24,490,200	24,490,200	24,490,200	-	No
<b>Total</b>	<b>\$104,704,018</b>	<b>\$138,556,220</b>	<b>\$110,763,353</b>	<b>\$46,765,182</b>	

\* America's Water Infrastructure Act (AWIA) of 2018 went into effect with the 2019 Capitalization grant and requires the state to make loan subsidies to disadvantaged communities, in addition to the additional subsidy that is required by Congress as stated in the Congressional Appropriations.

\*\* The Safe Drinking Water Act, as amended by the Bipartisan Infrastructure Law, requires the state to offer additional subsidy in the form of forgiveness of principal, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt.

The department has issued additional subsidization in an amount to meet the requirements of the FFY 2010 – 2019 capitalization grants.

Three of the communities who received grant funding in this reporting period were disadvantaged communities, and the projects for the other communities met the repair, replacement, and upgrade of infrastructure in the existing community's sustainability criteria under SRF Engineering Report Grants.

## 5. Federal Funding Accountability and Transparency Act (FFATA) and Equivalency

The following tables list the grant awards that were reported in the Federal FFATA Sub-award Reporting System as of September 30, 2023, and these awards have been designated as fulfilling FFATA and equivalency requirements.

<b>FFATA Subaward List</b>			
<b>Drinking Water CAP Grant Year</b>	<b>Project Number</b>	<b>Recipient</b>	<b>FFATA Subaward Obligation</b>
FFY2010	ER12-DWSA-MO6010303	City of Gerald	\$42,300
FFY2010	ER12-DWSA-MO4010087	City of Bonne Terre	58,068
FFY2010	ER12-DWSA-MO2010344	City of Hannibal	58,069
FFY2010	ER12-DWSA-MO2020421	Village of Stoutsville	98,800
FFY2010	ER12-DWSA-MO6010276	City of Festus	96,200
FFY2010	ER12-DWSA-MO1024118	City of Harrisonville PWSD No 9	25,110
FFY2010	ER12-DWSA-MO6010213	City of Desoto	36,750
FFY2010	ER12-DWSA-MO2021537	North Central Missouri-Milan	150,000
FFY2010	ER12-DWSA-MO6010801	City of Union	49,880
FFY2010	ER12-DWSA-MO4010404	City of Jackson	26,910
FFY2010	WS12-DWSA-MO4010501	City of Marquand	30,600
FFY2010	ER12-DWSA-MO4010710	City of Sainte Genevieve	104,300
FFY2010	ER12-DWSA-MO3024055	Consol. Public Water-Columbia	97,600
FFY2010	ER12-DWSA-MO1024156-1024154	City of Lathrop	46,085
FFY2010	DW291228-01	Barry County Water Supply Dist. 2	564,000
FFY2010	ER12-DWSA-MO2024572	PWSD 1 of Shelby County	50,600
FFY2010	ER12-DWSA-MO5024618	Vernon County PWSD 1	47,460
FFY2010	DW291243-01	Meadville	622,700
FFY2010	DW291245-02	City of Adrian	343,200
FFY2010	DW291233-01	City of Chilhowee	585,000
FFY2010	DW291282-02	City of Stockton	860,000
FFY2010	DW291249-02	Cass County PWSD 10	1,035,684
FFY2010	DW291234-01	City of Clarksburg	748,000
FFY2010	DW291308-01	City of Neosho	9,425,000
FFY2010	DW291313-01	Cass County PWSD 11	1,068,000
FFY2010	DW291315-01	Platte County PWSD 3	1,164,000
FFY2010	DW291310-01	Jefferson County Water Authority	1,502,000
FFY2010	DW291204-02	City of Poplar Bluff	1,256,571
FFY2010	DW291327-01	Monett	1,241,113
FFY2010 Award \$21,434,000			\$21,434,000

FFATA Subaward List			
Drinking Water CAP Grant Year	Project Number	Recipient	FFATA Subaward Obligation
FFY2011	ER14-DWSA-MO1010464	City of Lexington	\$73,500
FFY2011	ER14-DWSA-MO4021311	Wappapello PWSD 4	28,000
FFY2011	ER14-DWSA-MO3024052	Boone County PWSD 4	36,900
FFY2011	ER14-DWSA-MO5024228	Greene County PWSD 1	33,750
FFY2011	ER14-DWSA-MO5010331	City of Greenfield	27,000
FFY2011	ER14-DWSA-MO6024214	Franklin County PWSD 4	28,000
FFY2011	ER14-DWSA-MO30104411	City of Lake Ozark	43,200
FFY2011	ER14-DWSA-MO4010636	City of Perryville	72,100
FFY2011	ER14-DWSA-MO1024309	Warrensburg PWSD	41,200
FFY2011	ER14-DWSA-MO6071352	Jefferson County Water Authority	60,310
FFY2011	ER14-DWSA-MO6024213	Franklin County PWSD 3	32,500
FFY2011	ER14-DWSA-MO4021311	Wayne & Butler Counties	28,000
FFY2011	COOPERATIVE AGREEMENT	University of Missouri System	159,871
FFY2011	ER14-DWSA-MO2024594	Sullivan County PWSD 1	47,200
FFY2011	ER14-DWSA-MO5010331	City of Greenfield	27,000
FFY2011	ER14-DWSA-MO4021532	Cape Girardeau County	26,813
FFY2011	ER14-DWSA-MO6010659	City of Potosi	40,500
FFY2011	ER14-DWSA-MO2024565	Scotland County	28,000
FFY2011	DW291216-01	Osage Co PWSD 3	1,386,000
FFY2011	DW291204-02	City of Poplar Bluff	1,391,429
FFY2011	DW291276-01	Rogersville	1,241,113
FFY2011	DW291258-01	Desloge	1,564,000
FFY2011	DW291322-01	Jefferson Co PWSD 8	520,000
FFY2011	DW291293-01	Warsaw	1,478,000
FFY2011	DW291162-04	Linn	2,260,620
FFY2011	DW291324-01	Jefferson County PWSD 12	1,732,000
FFY2011	DW291331-01	Tipton	606,600
FFY2011	DW291193-04	City of Cameron	1,106,500
FFY2011	DW291319-01	Jackson Co PWSD 16	3,000,000
FFY2011	DW291327-01	Monett	1,009,497
FFY2011 Award \$18,129,603			\$18,129,603
FFY2012	SWPDI15-DWSA-MO4010853	City of West Plains Water Plant	\$25,000
FFY2012	SWPDI15-DWSA-MO3011367	City of Osage Beach	25,000
FFY2012	COOPERATIVE AGREEMENT	University of Missouri System	99,928
FFY2012	DW291327-01	Monett	6,641,557
FFY2012	DW291314-02	Belton	1,774,517
FFY2012	DW291341-01	Dekalb County PWSD	830,751
FFY2012	DW291222-03	Auxvasse	2,105,685
FFY2012	DW291328-01	California	3,202,000
FFY2012	DW291195-02	Lathrop	2,506,000
FFY2012	DW291315-02	Platte County PWSD 3	137,562
FFY2012 Award \$17,348,000			\$17,348,000

FFATA Subaward List			
Drinking Water CAP Grant Year	Project Number	Recipient	FFATA Subaward Obligation
FFY2013	DS14-DWSA-MO5010641	City of Pierce City	\$35,667
FFY2013	DS14-DWSA-MO4010072	City of Birch Tree	165,000
FFY2013	AWP16-DWSA-MO1010098	City of Braymer	49,000
FFY2013	DS14-DWSA-MO4010132	City of Campbell	53,500
FFY2013	DS14-DWSA-MO6010213	City of Desoto	27,677
FFY2013	DS14-DWSA-MO4010290	City of Fredericktown	159,320
FFY2013	COOPERATIVE AGREEMENT	University of Missouri System	121,062
FFY2013	ER15-DWSA-MO1021304	Oregon PWSD	40,500
FFY2013	DS14-DWSA-MO2010097	City of Brashear	33,300
FFY2013	ER15-DWSA-MO1010682	City of Rich Hill	45,416
FFY2013	DS14-DWSA-MO2010097	City of Brashear	66,600
FFY2013	DS14-DWSA-MO4010290	City of Fredericktown	318,640
FFY2013	ER15-DWSA-MO5024423	Newton County PWSD 1	36,000
FFY2013	DS14-DWSA-MO5024591	Mo-Ark Water Company	81,000
FFY2013	SWPD16-DWSA-MO5010754	City Utilities of Springfield	27,200
FFY2013	SWPDI15-DWSA-MO1010349	City of Harrisonville	25,000
FFY2013	DW291315-02	Platte County PWSD 3	754,437
FFY2013	DW291304-02	Audrain PWSD 1	327,028
FFY2013	DW291314-03	Belton	2,718,000
FFY2013	DW291319-03	Jackson Co PWSD 16	1,413,750
FFY2013	DW291335-01	Platte County PWSD 1	1,796,946
FFY2013	DW291343-01	Bonne Terre	3,969,287
FFY2013	DW291346-01	Fredericktown	2,983,000
FFY2013	DW291204-03	City of Poplar Bluff	1,029,670
FFY2013 Award \$16,277,000			\$16,277,000
FFY2014	DS14-DWSA-MO3010720	City of St. Robert	\$173,475
FFY2014	SWPD116-DWSA-MO5010754	City of Springfield	41,200
FFY2014	ER15-DWSA-MO2010796	City of Trenton	34,595
FFY2014	DS-DWSA-MO4010710	City of Sainte Genevieve	29,486
FFY2014	DW14-DWSA-MO4010132	City of Campbell	107,000
FFY2014	DW291017-02	Hannibal	12,960,000
FFY2014	DW291181-04	Tri-County Water Authority	4,502,914
FFY2014	DW291204-03	City of Poplar Bluff	1,330
FFY2014 Award \$17,850,000			\$17,850,000
FFY2015	ER16-DWSA-MO3024438/MO3024441	Osage County PWSD 2	\$55,440
FFY2015	PDWB-CARES-FY17-FY18	University of Missouri System	60,000
FFY2015	DW291327-01	Monett	2,583,517
FFY2015	DW291280-12	St. Louis	9,500,000
FFY2015	DW291314-02	Belton	5,264,483
FFY2015	DW291181-04	Tri-County Water Authority	274,560
FFY2015 Award \$17,738,000			\$17,738,000

FFATA Subaward List			
Drinking Water CAP Grant Year	Project Number	Recipient	FFATA Subaward Obligation
FFY2016	DW291356-01	Harrisonville	\$9,544,000
FFY2016	DW291357-01	Scotland County PWSD #1	2,034,890
FFY2016	ER16-DWSA-MO1024009	Atchison Co. PWSD #1	35,550
FFY2016	ER16-DWSA-MO5010071	Billings	39,600
FFY2016	ER16-DWSA-MO4024097	Cape Girardeau Co. PWSD #2	39,600
FFY2016	ER16-DWSA-MO4010467	Licking	31,500
FFY2016	ER16-DWSA-MO5010697	Rockaway Beach	33,849
FFY2016	ER17-DWSA-MO2010389	Humphreys	25,000
FFY2016	ER17-DWSA-MO2010664	Princeton	25,000
FFY2016	ER17-DWSA-MO2024495	Putnam Co. PWSD #1	25,000
FFY2016	SWPDI-DWSA-MO5010754	City of Springfield	51,200
FFY2016	SWPDI-DWSA-MO2021537	North Central MO Reg Wtr Comm.	63,250
FFY2016 Award \$16,781,000			\$11,948,439
FFY2017	DW291195-03	Lathrop	\$931,000
FFY2017	DW291277-02	Sparta	1,896,000
FFY2017	DW291336-01	Jackson Co PWSD #13	3,000,000
FFY2017	DW291357-01	Scotland Co PWSD	158,110
FFY2017	DW291216-02	Osage Co PWSD #3	598,000
FFY2017	DW291361-01	Osage Co PWSD #1	1,111,000
FFY2017	DW291181-04	Tri-County Water Authority	3,785,420
FFY2017 Award \$16,637,000			\$11,479,530
FFY2018	DW291363-01	Memphis	\$3,613,841
FFY2018	DW291339-02	Buchanan Co PWSD #1	2,544,000
FFY2018	DW291181-04	Tri-County Water Authority	7,353,739
FFY2018	ER19-DWSA-MO2010574	Newtown	25,000
FFY2018 Award \$19,582,000			\$13,536,580
FFY2019	DW291148-04	Marshfield	\$6,164,000
FFY2019	DW291364-01	Madison Co PWSD #1	1,369,000
FFY2019	DW291366-01	Centralia	2,744,000
FFY2019	DW291181-04	Tri-County Water Authority	3,108,310
FFY2019 Award \$19,399,000			\$13,385,310

FFATA Subaward List			
Drinking Water CAP Grant Year	Project Number	Recipient	FFATA Subaward Obligation
FFY2020	DW291368-01	Carrollton	\$4,181,000
FFY2020	DW291345-01	Pierce City	4,736,000
FFY2020	DW291337-02	Centertown	978,000
FFY2020	DER-101-21	Osage County PWSD # 3	17,000
FFY2020	DER-102-21	Anderson	30,000
FFY2020	DER-107-21	Highlandville	24,000
FFY2020	DER-110-21	Sullivan	24,000
FFY2020	DER-108-21	Jasper	30,000
FFY2020	DER-103-21	Galt	30,000
FFY2020	DER-104-21	Shelby County	30,000
FFY2020	DER-106-21	Strafford	30,000
FFY2020	DER-105-21	Westboro	25,000
FFY2020	DER-100-21	Belle	30,000
FFY2020	DW291181-04	Tri-County Water Authority	3,228,590
FFY2020 Award \$19,411,000			\$13,393,590
FFY2021	DW291367-01	Urbana	\$1,273,794
FFY2021	DER-109-21	Sweet Springs	30,000
FFY2021	DW291375-01	Missouri American Water	11,249,000
FFY2021	DW291249-03	Cass County PWSD No. 10	829,066
FFY2021 Award \$19,394,000			\$13,381,860
Total FFATA Reported To Date			\$185,901,912

### Assembled Necessary Staff

The department has the necessary staff positions to implement the Drinking Water SRF program. The Drinking Water SRF administrative, financial, and technical review staff for the Drinking Water SRF loan program are primarily located in the FAC. Staff administering the programs and activities funded by the set-aside portion of the Drinking Water SRF capitalization grants are primarily located in the Water Protection Program's PDWB. The FAC coordinates with the EIARA, a state environmental financing agency, to implement the direct loan program. Staff in the department's Regional Offices provide assistance with Drinking Water SRF program and primacy-related field activities.

### Grant Conditions Compliance

The department continues to comply with all grant conditions. The following sections address specific compliance issues.

- Lobbying: Lobbying by grant recipients is restricted by Section 607(A) of P.L. 96-74 and by the Anti-Lobbying Act, Section 319 of P.L. 101-121. The department has not engaged in illegal lobbying and has not used grant funds to support lobbying.
- Debarment: The department has agreed to comply with EPA's policy on debarment and

suspension under assistance, loan, and benefit programs. The department has not solicited sub-agreements from debarred or suspended parties and has included notice of this policy in solicitations as required.

- **Disadvantaged Business Enterprises (DBE):** The department has agreed to comply with EPA's Program for Utilization of Small, Minority, and Women's Business Enterprises. It has agreed to negotiate fair share goals. The department and all loan and grant recipients have included in their bid documents the fair share goals and followed the six affirmative steps stated in 40 CFR 31.36(e) and 40 CFR Part 33. The department has submitted reports on disadvantaged business enterprise use as required based on the information provided from the loan recipients. DBE reports were submitted to EPA for the 2023 reporting period. The table below summarizes the DBE activity for Missouri's Drinking Water SRF program for the reporting period.

<b>Assistance Activity 2023 Reporting Period</b>			
	<b>MBE and WBE</b>	<b>Procurement</b>	<b>Percent</b>
Construction	\$ -	\$7,575,279	0%
Non-Construction	143,191	1,232,713	12%
<b>Total</b>	<b>\$143,191</b>	<b>\$8,807,992</b>	
<b>Goal 10%</b>			

- **Drinking Water SRF and Public Drinking Water Benefits Reporting System:** The department has agreed to submit an annual report on the state of the Drinking Water SRF program. This report fulfills the requirement of the annual report. The department has updated the Office of Water State Revolving Funds (OWSRF) system as required for each loan recipient.
- **Use of recycled paper:** The department has agreed to submit required reports to EPA on recycled paper. This report is printed on recycled paper.
- **Indirect costs:** The department has agreed to charge indirect costs in the year that they are expended and in accordance with the negotiated indirect cost agreement. The department has complied with the agreement and charged indirect costs in the years they were expended.
- **Federal cross-cutters:** The department has agreed to comply with all federal cross-cutters identified in Appendix A of the Drinking Water SRF Program Guidelines. While loan recipients do not always receive assistance directly from the capitalization grant, the department has ensured, by conditions in the loan agreements that cross-cutting authority applies to projects equating to at least the amount of the capitalization grants.



# SRF Binding Commitments

Fiscal Years 1997 through 2023

Project Name	Population Served	Project Number	Amount	Closing Date
<b>Funding Type: ARRA GRANT</b>				
CAMERON**	2,950	DW291193-03G	\$1,390,500	10/22/2009
CLINTON COUNTY PWSD #3**	1,310	DW291227-01G	\$1,100,000	11/06/2009
AVA MUNICIPAL WATER SYSTEM**	3,021	DW291214-01G	\$1,445,400	11/10/2009
CLARENCE CANNON	42,000	DW291070-03G	\$2,000,000	11/17/2009
DREXEL**	1,115	DW291236-01G	\$2,000,000	11/17/2009
ROCKAWAY BEACH**	577	DW291230-01G	\$862,000	12/07/2009
MONROE COUNTY PWSD #2*	6,500	DW291213-01G	\$1,065,250	12/10/2009
ADRIAN*	4,420	DW291245-01G	\$473,800	12/21/2009
PILOT GROVE**	723	DW291232-01G	\$505,000	12/21/2009
WESTON**	1,631	DW291220-01G	\$2,033,300	12/21/2009
HARRY S TRUMAN PWSD #2*	6,000	DW291239-01G	\$1,172,000	12/22/2009
CAPE GIRARDEAU	36,472	DW291010-03G	\$1,000,000	12/28/2009
NEWBURG MUNICIPAL WATER SYSTEM**	474	DW291229-01G	\$162,200	12/29/2009
KING CITY**	1,500	DW291265-01G	\$597,300	12/30/2009
LINN CREEK**	280	DW291223-01G	\$916,100	01/08/2010
STE GENEVIEVE*	4,480	DW291281-01G	\$781,440	01/08/2010
CLAY COUNTY PWSD #8**	1,953	DW291235-01G	\$723,000	01/11/2010
COLE COUNTY PWSD #4**	1,100	DW291208-02G	\$324,000	01/15/2010
WARDSVILLE**	976	DW291218-01G	\$396,862	01/26/2010
	<b>19</b>		<b>\$18,948,152</b>	
<b>Funding Type: ARRA LOAN</b>				
CAMERON**	2,950	DW291193-03L	\$1,390,500	11/02/2009
AVA MUNICIPAL WATER SYSTEM**	3,021	DW291214-01L	\$1,445,400	11/17/2009
CLARENCE CANNON	42,000	DW291070-03L	\$2,390,000	11/23/2009
DREXEL**	1,115	DW291236-01L	\$2,368,000	11/23/2009
CLINTON COUNTY PWSD #3**	1,310	DW291227-01L	\$1,100,000	11/25/2009
ROCKAWAY BEACH**	577	DW291230-01L	\$862,000	12/09/2009
MONROE COUNTY PWSD #2*	6,500	DW291213-01L	\$1,065,200	12/14/2009
PILOT GROVE**	723	DW291232-01L	\$505,000	12/23/2009
ADRIAN*	4,420	DW291245-01L	\$473,800	12/29/2009
HARRY S TRUMAN PWSD #2*	6,000	DW291239-01L	\$1,172,000	12/29/2009
WESTON**	1,631	DW291220-01L	\$2,033,400	12/29/2009
KING CITY**	1,500	DW291265-01L	\$199,100	01/06/2010
LINN CREEK**	280	DW291223-01L	\$305,300	01/12/2010
STE GENEVIEVE*	4,480	DW291281-01L	\$781,300	01/12/2010
CLAY COUNTY PWSD #8**	1,953	DW291235-01L	\$723,000	01/14/2010
CAPE GIRARDEAU	36,472	DW291010-03L	\$1,000,000	01/15/2010
NEWBURG MUNICIPAL WATER SYSTEM**	474	DW291229-01L	\$162,200	01/19/2010
COLE COUNTY PWSD #4**	1,100	DW291208-02L	\$324,000	01/21/2010
WARDSVILLE**	976	DW291218-01L	\$396,700	01/28/2010
	<b>19</b>		<b>\$18,696,900</b>	
<b>Funding Type: DIRECT FORTY % MATCH LOAN SRF</b>				
GLASGOW, CITY OF**	1,263	DW291125-01	\$1,000,000	12/05/2002
MARSHFIELD, CITY OF*	5,720	DW291148-01	\$3,650,000	03/27/2003
TRI-COUNTY WATER AUTHORITY	19,000	DW291181-01	\$9,848,500	02/25/2005
	<b>3</b>		<b>\$14,498,500</b>	
<b>Funding Type: DIRECT INTERIM LOAN SRF (Paid off by Leveraged Loan)</b>				
GLASGOW, CITY OF**	1,263	DW291125-01	(\$1,000,000)	04/09/2003
MARSHFIELD, CITY OF*	5,720	DW291148-01	(\$3,650,000)	11/20/2003
TRI-COUNTY WATER AUTHORITY	19,000	DW291181-01	(\$9,848,500)	05/19/2005
	<b>(3)</b>		<b>(\$14,498,500)</b>	
<b>Funding Type: DIRECT LOAN SRF</b>				
ADRIAN, CITY OF*	4,420	DW291107-01	\$4,163,000	12/03/2007
SULLIVAN COUNTY PWSD #1*	4,340	DW291212-01	\$2,900,000	04/14/2009
PLATTE COUNTY PWSD #8**	1,101	DW291273-01	\$444,800	11/17/2009
	<b>3</b>		<b>\$7,507,800</b>	
<b>Funding Type: LEVERAGED LOAN SRF</b>				
CAMERON, CITY OF	11,000	DW291008-01	\$3,300,000	12/02/1998
CAPE GIRARDEAU, CITY OF	38,509	DW291010-01	\$25,495,000	12/02/1998
LOUISIANA, CITY OF*	4,000	DW291025-01	\$2,315,000	06/03/1999
MOSCOW MILLS-NEW ELEVATED WATER TANK **	2,600	DW291032-01	\$365,000	12/02/1999

# SRF Binding Commitments

Fiscal Years 1997 through 2023

Project Name	Population		Project Number	Amount	Closing Date
	Served				
RAY COUNTY PWSD #2	16,000		DW291034-01	\$3,955,000	12/02/1999
BOONVILLE, CITY OF*	7,095		DW291003-01	\$5,110,000	04/12/2000
CAMDEN COUNTY PWSD #2**	691		DW291007-01	\$700,000	04/12/2000
HALLSVILLE, CITY OF**	1,200		DW291053-01	\$825,000	04/12/2000
JACKSON DIST. SYSTEM IMPROVEMENTS 01*	9,256		DW291020-01	\$995,000	04/12/2000
MARCELINE, CITY OF **	2,645		DW291026-01	\$4,000,000	04/12/2000
PERRYVILLE, CITY OF*	6,993		DW291062-01	\$8,860,000	04/12/2000
CLARENCE CANNON WHOLESALE WC*	4,172		DW291070-01	\$4,015,000	11/21/2000
JACKSON DIST. SYSTEM IMPROVEMENTS 02*	9,256		DW291020-02	\$1,895,000	11/21/2000
SWEET SPRINGS**	1,620		DW291040-01	\$445,000	11/21/2000
UNIONVILLE, CITY OF **	1,989		DW291041-01	\$455,000	11/21/2000
OZARK, CITY OF*	9,159		DW291089-01	\$975,000	04/18/2001
RAY COUNTY PWSD #2	16,000		DW291117-01	\$790,000	04/18/2001
RICHMOND*	6,675		DW291071-01	\$3,525,000	04/18/2001
VERNON COUNTY PWSD #2**	1,100		DW291069-01	\$1,005,000	04/18/2001
BUTLER, CITY OF*	8,555		DW291046-01	\$5,000,000	11/20/2001
DUNKLIN COUNTY PWSD#3**	1,764		DW291110-01	\$335,000	11/20/2001
FESTUS, CITY OF	10,470		DW291051-01	\$1,885,000	11/20/2001
GARDEN CITY**	1,390		DW291073-01	\$730,000	11/20/2001
JEFFERSON COUNTY WATER AUTHORITY	10,470		DW291121-01	\$10,435,000	11/20/2001
KEARNEY, CITY OF*	4,300		DW291082-01	\$2,645,000	11/20/2001
TRI-COUNTY WATER AUTHORITY	19,000		DW291068-01	\$2,370,000	11/20/2001
CAMDEN COUNTY PWSD #2**	2,280		DW291122-01	\$430,000	05/08/2002
CLEVER, CITY OF**	811		DW291109-01	\$410,000	05/08/2002
CRYSTAL CITY*	4,247		DW291050-01	\$1,300,000	05/08/2002
JEFFERSON COUNTY WATER AUTHORITY	10,470		DW291121-02	\$8,230,000	05/08/2002
ELSBERRY TREATMENT UPGRADE**	1,896		DW291099-01	\$500,000	11/07/2002
LAWSON, CITY OF**	2,357		DW291127-01	\$1,080,000	11/07/2002
OSAGE BEACH, REFINANCING AND NEW PROJECT	15,000		DW291150-01	\$24,585,000	11/07/2002
PUXICO, CITY OF**	1,145		DW291134-01	\$540,000	11/07/2002
CARL JUNCTION DW IMPROVEMENTS**	2,188		DW291123-01	\$1,760,000	04/09/2003
GLASGOW, CITY OF**	1,263		DW291125-02	\$2,210,000	04/09/2003
JASPER COUNTY PWSD #1**	1,873		DW291131-01	\$1,400,000	04/09/2003
OSAGE BEACH, REFINANCING AND NEW PROJECT	15,000		DW291150-02	\$6,075,000	04/09/2003
BOWLING GREEN*	5,166		DW291165-01	\$3,160,000	11/20/2003
CASS-BATES #12**	1,800		DW291151-01	\$330,000	11/20/2003
GREEN CITY**	688		DW291164-01	\$490,000	11/20/2003
KNOB NOSTER WATER IMPROVEMENTS**	2,462		DW291139-01	\$1,000,000	11/20/2003
MARSHFIELD, CITY OF*	5,720		DW291148-02	\$6,310,000	11/20/2003
BROOKFIELD*	4,769		DW291178-01	\$3,055,000	05/28/2004
PINEVILLE**	768		DW291141-01	\$550,000	05/28/2004
ADAIR COUNTY PWSD #1*	7,989		DW291155-01	\$395,000	12/09/2004
KIRKSVILLE SOUTH PROJECT	16,988		DW291176-01	\$695,000	12/09/2004
LIVINGSTON COUNTY PWSD #1**	1,240		DW291161-01	\$1,230,000	12/09/2004
MOBERLY	13,741		DW291158-01	\$5,100,000	12/09/2004
PORTAGEVILLE*	3,600		DW291077-01	\$2,300,000	12/09/2004
FULTON, CITY OF	12,128		DW291124-01	\$4,500,000	05/19/2005
HUNTSVILLE**	1,600		DW291175-01	\$605,000	05/19/2005
TRI-COUNTY WATER AUTHORITY	27,000		DW291181-02	\$23,000,000	05/19/2005
CLARENCE CANNON WWC	42,000		DW291137-01	\$9,700,000	11/30/2005
KIRKSVILLE PHASE I	26,450		DW291183-01	\$1,805,000	11/30/2005
RUSSELLVILLE**	850		DW291172-01	\$650,000	11/30/2005
TRI-COUNTY WATER AUTHORITY	27,000		DW291181-03	\$17,625,000	11/30/2005
CAPE GIRARDEAU COUNTY PWSD #4**	692		DW291187-01	\$600,000	04/27/2006
CLARENCE CANNON WWC	42,000		DW291137-02	\$590,000	04/27/2006
SHELBY COUNTY PWSD #1**	1,205		DW291191-01	\$810,000	04/27/2006
CLAY COUNTY PWSD #3*	3,800		DW291196-01	\$2,295,000	11/16/2006
IRONTON**	1,539		DW291145-01	\$2,500,000	05/01/2007
KIRKSVILLE PHASE II & DOWNTOWN	26,450		DW291184-01	\$3,500,000	05/01/2007
OSAGE BEACH*	4,100		DW291150-03	\$2,550,000	05/01/2007
RICHLAND**	1,805		DW291202-01	\$1,000,000	05/01/2007
SENECA**	2,135		DW291157-01	\$835,000	05/01/2007
WASHBURN, CITY OF**	448		DW291171-01	\$1,420,000	05/01/2007
HAMILTON**	2,343		DW291207-01	\$385,000	11/15/2007
ASHLAND**	3,000		DW291043-02	\$1,240,000	10/30/2008
COLE COUNTY PWSD #4**	1,100		DW291208-01	\$2,045,000	10/30/2008

# SRF Binding Commitments

Fiscal Years 1997 through 2023

Project Name	Population		Amount	Closing Date
	Served	Project Number		
HOLCOMB**	840	DW291186-01	\$355,000	10/30/2008
LIVINGSTON COUNTY PWSD #3**	2,210	DW291201-01	\$970,000	10/30/2008
POPLAR BLUFF, CITY OF	16,651	DW291204-01	\$6,195,000	10/30/2008
		<b>73</b>	<b>\$250,735,000</b>	
<b>Funding Type: PLANNING AND DESIGN LOAN</b>				
PARIS**	1,220	DW291159-03A	\$387,000	3/31/2022
		<b>1</b>	<b>\$387,000</b>	
<b>Funding Type: SRF CASH FLOW DIRECT LOAN</b>				
CLARENCE CANNON	42,000	DW291070-04	\$5,285,000	06/24/2010
MEADVILLE**	457	DW291243-01	\$622,700	10/26/2010
ADRIAN*	4,420	DW291245-02	\$343,200	12/22/2010
CHILHOWEE**	329	DW291233-01	\$585,000	12/22/2010
STOCKTON, CITY OF**	2,016	DW291282-02	\$860,000	05/26/2011
BARRY COUNTY PWSD #2 (CRESTWOOD WEST)**	182	DW291228-01L	\$282,000	06/22/2011
OSAGE COUNTY PWSD #3**	1,350	DW291216-01L	\$693,000	07/21/2011
CASS COUNTY PWSD #10**	2,610	DW291249-02L	\$702,000	09/28/2011
CLARKSBURG**	390	DW291234-01L	\$408,000	10/05/2011
NEOSHO	10,505	DW291308-01	\$9,425,000	12/19/2011
CASS COUNTY PWSD #11**	2,560	DW291313-01L	\$534,000	05/14/2012
PLATTE COUNTY PWSD #3**	1,200	DW291315-01L	\$582,000	06/19/2012
JEFFERSON COUNTY WATER AUTHORITY	14,005	DW291310-01L	\$751,000	07/25/2012
POPLAR BLUFF	16,651	DW291204-02L	\$1,324,000	07/31/2012
ROGERSVILLE**	3,047	DW291276-01L	\$682,000	08/14/2012
DESLOGE*	5,105	DW291258-01L	\$782,000	09/27/2012
WARSAW**	2,075	DW291293-01L	\$739,000	11/28/2012
JEFFERSON CO. PWSD #8*	3,500	DW291322-01L	\$260,000	11/29/2012
LINN**	1,430	DW291162-04L	\$1,143,000	01/30/2013
JEFFERSON CO. PWSD #12**	3,000	DW291324-01L	\$866,000	05/22/2013
TIPTON**	3,262	DW291331-01L	\$606,600	06/18/2013
CAMERON	14,000	DW291193-04L	\$616,000	07/17/2013
JACKSON COUNTY PWSD #16*	4,203	DW291319-01L	\$1,500,000	07/18/2013
MONETT*	8,835	DW291327-01L	\$11,012,000	09/09/2013
ST. LOUIS	319,294	DW291280-12L	\$9,500,000	11/13/2013
BELTON PHASE I	24,802	DW291314-02L	\$7,039,000	03/27/2014
DEKALB COUNTY PWSD #1*	8,320	DW291341-01L	\$423,000	08/26/2014
AUXVASSE**	901	DW291222-03L	\$995,000	10/06/2014
CALIFORNIA*	4,278	DW291328-01L	\$1,601,000	10/16/2014
PLATTE COUNTY PWSD #3**	660	DW291315-02L	\$446,000	10/16/2014
LATHROP**	2,086	DW291195-02L	\$1,258,000	10/20/2014
BELTON PHASE II	24,802	DW291314-03	\$2,718,000	09/14/2015
AUDRAIN CO. PWSD #1**	1,700	DW291304-02L	\$164,000	09/28/2015
JACKSON COUNTY PWSD #16*	4,520	DW291319-03L	\$711,000	09/28/2015
HANNIBAL	17,606	DW291017-02	\$12,960,000	10/15/2015
PLATTE COUNTY CONSOLIDATED PWSD #1**	1,200	DW291335-01L	\$1,149,000	10/15/2015
BONNE TERRE*	4,187	DW291343-01L	\$1,985,000	11/18/2015
TRI-COUNTY WATER AUTHORITY	48,060	DW291181-04	\$33,432,000	01/25/2016
FREDERICKTOWN*	3,985	DW291346-01L	\$2,983,000	08/18/2016
POPLAR BLUFF	17,023	DW291204-03	\$1,031,000	08/22/2016
LATHROP PHASE II**	2,086	DW291195-03L	\$931,000	12/01/2016
SUNRISE BEACH PHASE I**	431	DW291219-02L	\$315,000	12/19/2016
HARRISONVILLE*	9,743	DW291356-01	\$9,544,000	01/17/2017
BIRCH TREE**	679	DW291350-01L	\$738,000	01/24/2017
REEDS SPRING**	913	DW291348-01L	\$434,000	03/09/2017
SPARTA, CITY OF**	1,752	DW291277-02L	\$1,896,000	06/27/2017
JACKSON COUNTY PWSD #13*	5,400	DW291336-01	\$3,000,000	07/27/2017
SCOTLAND CO. CONSOLIDATED PWSD #1**	2,668	DW291357-01	\$2,193,000	09/21/2017
CAMPBELL**	1,992	DW291333-01L	\$625,000	10/26/2017
OSAGE COUNTY PWSD #3**	1,400	DW291216-02	\$598,000	10/30/2017
OSAGE COUNTY PWSD #1**	1,200	DW291361-01L	\$1,111,000	11/07/2017
TRI-COUNTY WATER AUTHORITY	100,000	DW291181-04A	\$1,000,000	12/15/2017
MEMPHIS**	1,931	DW291363-01L	\$1,731,000	09/12/2019
BUCHANAN COUNTY PWSD #1**	2,400	DW291339-02L	\$1,272,000	09/26/2019
MARSHFIELD*	6,633	DW291148-04	\$6,164,000	01/15/2020
MADISON COUNTY PWSD NO. 1**	1,959	DW291364-01L	\$1,369,000	02/07/2020

**SRF Binding Commitments**

Fiscal Years 1997 through 2023

Project Name	Population		Amount	Closing Date
	Served	Project Number		
CENTRALIA**	945	DW291366-01L	\$2,744,000	06/05/2020
LAURIE*	4,027	DW291312-02L	\$316,000	06/05/2020
CARROLLTON*	3,784	DW291368-01L	\$4,181,000	11/10/2020
PIERCE CITY**	1,268	DW291345-01L	\$2,736,000	11/25/2020
CENTERTOWN**	278	DW291337-02L	\$245,000	03/05/2021
URBANA**	417	DW291367-01L	\$319,000	12/30/2021
MISSOURI AMERICAN WATER-JEFFERSON CITY	32,000	DW291375-01	\$11,249,000	03/10/2022
CASS CO PWSD NO 10**	2,610	DW291249-03L	\$1,377,000	04/06/2022
WARSAW**	2,075	DW291293-02L	\$1,248,000	04/29/2022
CAMDEN CO PWSD NO 1**	220	DW291373-01L	\$711,000	07/20/2022
HARRY S TRUMAN PWSD NO 2*	6,000	DW291239-02L	\$2,582,000	07/20/2022
PINEVILLE**	790	DW291141-02L	\$594,000	09/20/2023
		<b>68</b>	<b>\$180,221,500</b>	

**Funding Type: SRF GRANT**

BARRY COUNTY PWSD #2 (CRESTWOOD WEST)**	182	DW291228-01G	\$282,000	06/22/2011
OSAGE COUNTY PWSD #3**	1,350	DW291216-01G	\$693,000	07/21/2011
CASS COUNTY PWSD #10**	2,610	DW291249-02G	\$333,684	09/30/2011
CLARKSBURG**	390	DW291234-01G	\$340,000	10/05/2011
CASS COUNTY PWSD #11**	2,560	DW291313-01G	\$534,000	06/06/2012
PLATTE COUNTY PWSD #3**	1,200	DW291315-01G	\$582,000	06/12/2012
ROGERSVILLE**	3,047	DW291276-01G	\$559,113	08/24/2012
JEFFERSON COUNTY WATER AUTHORITY	14,005	DW291310-01G	\$751,000	09/06/2012
POPLAR BLUFF	16,651	DW291204-02G	\$1,324,000	09/07/2012
DESLOGE*	5,105	DW291258-01G	\$782,000	10/04/2012
JEFFERSON CO. PWSD #8*	3,500	DW291322-01G	\$260,000	12/06/2012
WARSAW**	2,075	DW291293-01G	\$739,000	12/20/2012
LINN**	1,430	DW291162-04G	\$1,117,620	02/22/2013
JEFFERSON CO. PWSD #12**	3,000	DW291324-01G	\$866,000	05/22/2013
CAMERON	14,000	DW291193-04G	\$490,500	07/15/2013
JACKSON COUNTY PWSD #16*	4,203	DW291319-01G	\$1,500,000	08/15/2013
MONETT*	8,835	DW291327-01G	\$2,000,000	09/16/2013
DEKALB COUNTY PWSD #1*	8,320	DW291341-01G	\$407,751	08/19/2014
AUXVASSE**	901	DW291222-03G	\$1,110,685	10/01/2014
CALIFORNIA*	4,278	DW291328-01G	\$1,601,000	10/07/2014
LATHROP**	2,086	DW291195-02G	\$1,248,000	10/08/2014
PLATTE COUNTY PWSD #3**	660	DW291315-02G	\$446,000	10/15/2014
JACKSON COUNTY PWSD #16*	4,520	DW291319-03G	\$702,750	09/09/2015
AUDRAIN CO PWSD #1**	1,700	DW291304-02G	\$163,028	09/22/2015
PLATTE COUNTY CONSOLIDATED PWSD #1**	1,200	DW291335-01G	\$647,946	10/15/2015
BONNE TERRE*	4,187	DW291343-01G	\$1,984,287	11/18/2015
LATHROP PHASE II**	2,086	DW291195-03G	\$930,710	12/01/2016
SUNRISE BEACH PHASE I**	431	DW291219-02G	\$865,343	12/19/2016
BIRCH TREE**	679	DW291350-01G	\$1,856,325	01/24/2017
REEDS SPRING**	913	DW291348-01G	\$934,500	03/09/2017
SPARTA, CITY OF**	1,752	DW291277-02G	\$1,896,000	06/21/2017
CLARKSVILLE**	480	DW291358-01G	\$201,225	10/06/2017
CAMPBELL**	1,992	DW291333-01G	\$1,569,460	10/13/2017
OSAGE COUNTY PWSD #1**	1,200	DW291361-01G	\$584,414	10/19/2017
MEMPHIS**	1,931	DW291363-01G	\$1,882,841	09/06/2019
BUCHANAN COUNTY PWSD #1**	2,400	DW291339-02G	\$1,272,000	09/19/2019
MADISON COUNTY PWSD NO. 1**	1,959	DW291364-01G	\$2,000,000	01/17/2020
LAURIE**	945	DW291312-02G	\$948,000	06/05/2020
PIERCE CITY**	1,268	DW291345-01	\$2,000,000	11/13/2020
CENTERTOWN**	278	DW291337-02G	\$733,000	02/24/2021
URBANA**	417	DW291367-01G	\$954,794	12/15/2021
WARSAW**	2,125	DW291293-02G	\$2,000,000	03/09/2022
CAMDEN CO PWSD NO 1**	1,200	DW291373-01G	\$2,000,000	06/24/2022
PINEVILLE**	790	DW291141-02G	\$1,781,100	09/13/2023
		<b>44</b>	<b>\$45,875,076</b>	

**Funding Type: SRF Engineering Report Grant**

OSAGE COUNTY PWSD #3**	1,850	DER-101-21	\$17,000	07/01/2021
ANDERSON**	1,961	DER-102-21	\$30,000	07/29/2021
HIGHLANDVILLE**	911	DER-107-21	\$24,000	07/29/2021
SULLIVAN COUNTY PWSD #1**	3,143	DER-110-21	\$24,000	07/29/2021

**SRF Binding Commitments**

Fiscal Years 1997 through 2023

Project Name	Population		Amount	Closing Date
	Served	Project Number		
JASPER**	931	DER-108-21	\$30,000	08/03/2021
GALT**	253	DER-103-21	\$30,000	08/10/2021
SHELBY COUNTY PWSD #1**	3,070	DER-104-21	\$30,000	08/11/2021
STRAFFORD**	2,358	DER-106-21	\$30,000	08/30/2021
WESTBORO**	141	DER-105-21	\$25,000	08/30/2021
BELLE**	1,545	DER-100-21	\$30,000	09/21/2021
SWEET SPRINGS- FY 21 DWERG**	1,412	DER-109-21	\$30,000	01/04/2022
WARSAW-FY 22 DWERG**	2,125	DER-133-22	\$7,500	04/04/2022
COOPER COUNTY CPWSD #1- FY 22 DWERG**	2,550	DER-124-22	\$30,000	04/11/2022
CAPE GIRARDEAU PWSD2- FY 2022 DWERG**	2,400	DER-128-22	\$30,000	05/20/2022
NEELYVILLE-FY 2022 DWERG**	483	DER-132-22	\$37,500	05/23/2022
ARBYRD-FY 2022 DWERG**	509	DER-131-22	\$24,000	05/26/2022
HAYTI-FY 2022 DWERG**	2,588	DER-113-22	\$37,500	06/06/2022
WINONA-FY 22 DWERG**	1,325	DER-122-22	\$30,000	06/06/2022
GENTRY COUNTY PWSD #1- FY 22 DWERG**	2,000	DER-123-22	\$30,000	06/14/2022
VAN BUREN -FY 22 DWERG**	747	DER-112-22	\$30,000	06/14/2022
GLASGOW-FY 22 DWERG**	1,103	DER-127-22	\$24,000	06/24/2022
DEER RUN REORGANIZED-FY22 DWERG*	6,141	DER-120-22	\$30,000	07/05/2022
HALFWAY-FY22 DWERG**	205	DER-117-22	\$25,600	07/07/2022
GERALD-FY 22 DWERG**	1,198	DER-116-22	\$25,600	07/15/2022
GRANBY-FY 22 DWERG**	2,133	DER-114-22	\$30,000	07/15/2022
GREENE CO PWSD NO 6- FY 22 DWERG**	580	DER-111-22	\$30,000	07/15/2022
VERNON CO PWSD NO 2-FY 22 DWERG**	1,175	DER-130-22	\$24,000	07/15/2022
CAMDEN PWSD 5-FY 22 DWERG**	1,037	DER-125-22	\$24,000	07/26/2022
FLEMINGTON FY 22 DWERG**	148	DER-119-22	\$30,000	07/26/2022
SALINE CO PWSD#3- FY 22 DWERG**	2,895	DER-121-22	\$24,800	08/02/2022
OSAGE CO PWSD NO 1-FY 22 DWERG**	1,442	DER-115-22	\$14,400	08/03/2022
NEW MADRID PWSD #5-FY 22 DWERG**	2,200	DER-126-22	\$37,500	08/12/2022
MOARK WATER COMPANY - FY 23 DWERG**	1,900	DER-135-22	\$24,000	10/06/2022
MILLER - FY 23 DWERG**	699	DER-134-22	\$30,000	10/28/2022
IBERIA - FY 23 DWERG**	703	DER-118-22	\$22,800	12/22/2022
BRANSON WEST - FY 23 DWERG**	478	DER-142-23	\$30,000	06/05/2023
BRAYMER - FY 23 DWERG**	737	DER-141-23	\$37,500	06/05/2023
STOCKTON - FY 23 DWERG**	1,892	DER-138-23	\$30,000	08/03/2023
ARCOLA - FY 23 DWERG**	45	DER-144-23	\$30,000	08/14/2023
PARMA - FY 23 DWERG**	550	DER-145-23	\$37,500	08/16/2023
BOSWORTH - FY 23 DWERG**	305	DER-139-23	\$30,000	09/19/2023
	<b>41</b>		<b>\$1,148,200</b>	

<b>Total Binding Commitments</b>	<b>\$523,519,628</b>
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\* Systems that serve &lt;10,000 population

\*\* Systems that serve 3,300 or less population

Drinking Water SRF Additional Subsidization Awards  
Fiscal Year End 2023

Recipient	Amount Awarded	Award Date
Barry County	282,000	6/22/2011
Osage County #3	693,000	7/21/2011
City of Clarksburg	340,000	10/5/2011
Cass County #10	333,684	6/6/2012
Cass County #11	534,000	5/14/2012
Platte County #3 - 01	1,028,000	6/12/2012
City of Rogersville	559,113	8/24/2012
Jefferson County Water Auth	751,000	7/25/2012
Poplar Bluff	1,324,000	9/7/2012
Desloge	782,000	9/27/2012
Jefferson County PWSD #8	260,000	11/29/2012
Warsaw	739,000	12/20/2012
Linn	1,117,620	2/22/2013
Jefferson County PWSD #12	866,000	5/22/2013
Cameron	490,500	7/15/2013
Jackson County #16	1,500,000	8/15/2013
Monett	2,000,000	9/16/2013
Dekalb	407,751	8/19/2014
Auxvasse	1,110,685	9/30/2014
Lathrop	1,248,000	10/8/2014
California	1,601,000	10/16/2014
Audrain	163,028	9/22/2015
Jackson County #16	702,750	9/28/2015
Platte County #1	647,946	10/15/2015
Bonne Terre	1,984,287	11/18/2015
Lathrop Phase II	930,710	12/1/2016
Sunrise Beach Phase 1	865,343	12/19/2016
Birch Tree	1,856,325	1/24/2017
Reeds Spring	934,500	3/9/2017
Sparta	1,896,000	6/27/2017
Clarksville	201,225	10/6/2017
Campbell	1,569,460	10/13/2017
Osage County #1	584,414	10/19/2017
Memphis	1,882,841	9/12/2019
Buchanan	1,188,169	9/26/2019
Madison	2,000,000	1/17/2020
Laurie	877,950	6/5/2020
Pierce City	2,000,000	11/13/2020
Centertown	733,000	2/24/2021
Osage Co. PWSD No. 3	17,000	7/1/2021
Anderson	29,998	7/29/2021
Highlandville	24,000	7/29/2021
Sullivan	24,000	7/29/2021
Jasper	30,000	8/4/2021
Galt	30,000	8/10/2021
Shelby Co	30,000	8/11/2021
Westboro	25,000	8/30/2021
Strafford	30,000	8/30/2021
Belle	22,567	9/21/2021
Urbana	954,794	12/30/2021
Sweet Springs	20,699	1/4/2022
Warsaw	7,500	4/4/2022
Cooper County CPWSD No. 1	30,000	4/11/2022
Warsaw	2,000,000	4/29/2022
Cape Girardeau PWSD No.2	30,000	5/19/2022

Drinking Water SRF Additional Subsidization Awards  
Fiscal Year End 2023

Recipient	Amount Awarded	Award Date
Neelyville	37,500	5/23/2022
Arbyrd	24,000	5/26/2022
Hayti	37,500	6/6/2022
Winona	30,000	6/8/2022
Van Buren	30,000	6/14/2022
Gentry County PWSD No. 1	19,115	6/14/2022
Glasgow	24,000	6/24/2022
Deer Run Reorganized Sewer District	30,000	7/5/2022
Halfway	11,835	7/7/2022
Vernon Co. PWSD No. 2	-	7/15/2022
Gerald	10,306	7/15/2022
Granby	30,000	7/15/2022
Green County PWSD No. 6	29,371	7/15/2022
Camden Co. PWSD No. 1	2,000,000	7/20/2022
Camden Co. PWSD No. 5	24,000	7/26/2022
Flemington	26,417	7/26/2022
Osage County PWSD No. 1	13,822	8/3/2022
Saline Co. PWSD No. 3	24,800	8/3/2022
New Madrid PWSD No. 5	18,759	8/12/2022
MO-ARK Water Company	23,999	10/6/2022
Miller	30,000	10/28/2022
Iberia	22,800	12/22/2022
Branson West	30,000	6/5/2023
Braymer	37,500	6/5/2023
Stockton	30,000	8/3/2023
Arcola	30,000	8/14/2023
Parma	37,500	8/16/2023
Bosworth	30,000	9/19/2023
Pineville	1,781,100	9/20/2023
<b>Total</b>	<b>46,765,183</b>	

## **XV. Management's Discussion and Analysis**

The following is a discussion and analysis of the financial activities for the Missouri Department of Natural Resources' Drinking Water State Revolving Fund (SRF) program for the year ended September 30, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the Notes to the Financial Statements.

### **Financial Highlights**

The assets and deferred outflows of resources of the program exceeded liabilities and deferred inflows of resources at the close of the most recent reporting period by \$301,475,056 (net position). Net position, since inception of the program, consists of federal capitalization grant contributions of \$394,898,530, state match contributions of \$35,678,186, and a net loss of \$129,101,660. The net position of the program is all restricted. The program's enabling legislation and related regulations require that all money in the fund may be used only for purposes of the program.

Total assets decreased from \$343,152,004 at September 30, 2022, to \$342,269,340 at September 30, 2023. The assets of the enterprise funds decreased \$883,169 while the assets of the custodial fund increased \$505. Explanations for these changes are detailed in the Financial Analysis section.

Total liabilities decreased \$12,434,023. The majority of the decrease was from a decrease in bonds payable. Bonds payable decreased \$11,473,576 because the program has changed from primarily a leveraged loan program to a direct loan program and no refunding bond was issued during this reporting period.

During the reporting period, the program's total net position increased \$12,424,624. Of this amount, \$3,685,119 is capital contributions from the Environmental Protection Agency (EPA), the State of Missouri's capital contribution of \$5,388,634 and \$1,049,784 is the period's income.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the department's Drinking Water SRF basic financial statements. The program's basic financial statements are comprised of two components: 1) proprietary and fiduciary fund financial statements, and 2) notes to the financial statements.

The proprietary and fiduciary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, a Statement of Cash Flows, a Statement of Fiduciary Net Position, and a Statement of Changes in Fiduciary Net Position.

- The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the program. Assets consist of cash and cash equivalents, investments, interest receivable from loans and investments, administration fees receivable, EPA set-aside grant funds receivable, and loans



receivable. Deferred outflows of resources consist of the deferred charge on refunding and deferred outflows for pension and other post-employment benefits (OPEB). Liabilities include accounts payable, unearned revenue(s), bonds payable, bond interest payable, net pension, and OPEB. Deferred inflows of resources include amounts deferred for pension and OPEB. Net position is the federal capitalization grant contributions, the state match contributions, and the excess earnings of the program's operations since inception.

- The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the program's net position changed during the reporting period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.
- The Statement of Cash Flows is provided to identify the sources and the uses of cash during the reporting period and to demonstrate that the program has sufficient cash to meet its obligations.
- The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position provide information about the program's custodial fund. The custodial fund consists of the assets and liabilities related to the loan funds that are held at trustee banks on behalf of the loan participants.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

## Financial Analysis

### Loan Fund:

The following section displays the current and prior year financial statements of the loan fund and describes some of the major reasons for the changes.

#### Loan Fund Net Position

	2023	2022	Percent Change
Current assets	\$ 175,154,652	\$ 149,739,257	17%
Non-current assets	163,783,333	190,415,996	-14%
Total assets	338,937,985	340,155,253	0%
Deferred outflows	417,411	621,537	-33%
Total assets and deferred outflows	339,355,396	340,776,790	0%
Current liabilities	10,991,760	13,222,324	-17%
Non-current liabilities	23,284,208	33,632,536	-31%
Total liabilities	34,275,968	46,854,860	-27%
Net position	\$ 305,079,428	\$ 293,921,930	4%

The total net position of the loan fund increased by four percent. Current assets increased by \$25,415,395 as cash on hand increased by \$23,911,212 and current restricted investments increased by \$10,565, and current loans receivable increased by \$1,493,262 along with loan and investment interest increasing by \$41,505.

Non-current assets decreased by \$26,632,663 as a result of a \$8,475,496 decrease in non-current restricted investments, and a \$18,157,167 decrease in non-current loans receivable. Total liabilities decreased by \$12,578,892 as bonds payable decreased.

### Changes in Loan Fund Net Position

	2023	2022	Percent Change
Operating revenues	\$ 2,979,969	\$ 3,459,572	-14%
Operating expenses	2,448,712	3,726,204	-34%
Operating income	531,257	(266,632)	-299%
Non-operating revenues (expenses)	10,626,241	14,318,740	-26%
Increase in net position	11,157,498	14,052,108	-21%
Transfers in	-	3,878,800	-100%
Change in net position	11,157,498	17,930,908	-38%
Net position, beginning of year	293,921,930	275,991,022	6%
Net position, end of year	\$ 305,079,428	\$ 293,921,930	4%

Operating income increased by \$797,889 primarily as a result of the disbursements to grant recipients decreasing.

### Loan Fund Cash Flows

	2023	2022	Percent Change
Cash flows from operating activities	\$ 16,175,900	\$ 8,778,370	84%
Cash flows from non-capital financing activities	(3,801,310)	2,927,504	-230%
Cash flows from investing activities	11,536,622	10,479,480	10%
Increase (decrease) in cash and cash equivalents	23,911,212	22,185,354	8%
Cash and cash equivalents, beginning of year	118,326,720	96,141,366	23%
Cash and cash equivalents, end of year	\$142,237,932	\$118,326,720	20%

The change in the loan fund cash flow numbers between fiscal year 2022 and 2023 was primarily for the following reasons:

- 1) A \$9,062,903 decrease in loan and grant disbursements, which also resulted in a decrease to EPA grant funds received of \$9,776,114.
- 2) A \$1,515,000 decrease in bond principal retired.
- 3) A \$1,240,395 decrease in the repayments received on loans.
- 4) An increase in State of Missouri's contribution of \$5,388,634.

### Administration Fee Fund:

The following section displays the current and prior year financial statements of the administration fee fund and describes some of the major reasons for the changes.

#### Administration Fee Fund Net Position

	2023	2022	Percent Change
Current assets	\$ 2,051,475	\$ 1,300,051	58%
Non-current assets	147	466	-68%
Total assets	2,051,622	1,300,517	58%
Deferred outflows	10,777	(25,408)	-142%
Total assets and deferred outflows	2,062,399	1,275,109	62%
Current liabilities	1,352	1,259	7%
Non-current liabilities	61,513	208,198	-70%
Total liabilities	62,865	209,457	-70%
Deferred inflows	234	(50,187)	-100%
Total liabilities and deferred inflows	63,099	159,270	-60%
Net position	\$ 1,999,300	\$ 1,115,839	79%

The 79 percent increase in the administration fee fund net position was primarily the result of a \$765,236 increase in cash due to no transfer outs this year for the state match contribution.

#### Changes in Administration Fee Fund Net Position

	2023	2022	Percent Change
Operating revenues	\$ 800,905	\$ 856,323	-6%
Operating expenses	94,784	28,297	235%
Operating income	706,121	828,026	-15%
Non-operating revenues (expenses)	42,215	8,419	401%
Increase in net position	748,336	836,445	-11%
Transfers out	-	(3,878,800)	-100%
Change in net position	748,336	(3,042,355)	-125%
Net position, beginning of year	1,115,839	4,158,194	-73%
Prior period adjustment	135,125	-	100%
Net position, end of year	\$ 1,999,300	\$ 1,115,839	67%

There was an increase of \$66,487 in operating expenses because more expenses were paid from administration fees than in the previous reporting period. There was also no transfer out for state match contribution.

### Administration Fee Fund Cash Flows

	2023	2022	Percent Change
Cash flows from operating activities	\$ 731,383	\$ 830,081	-12%
Cash flows from noncapital financing activities	-	(3,878,800)	-100%
Cash flows from investing activities	33,853	8,349	305%
Decrease in cash and cash equivalents	765,236	(3,040,370)	-125%
Cash and cash equivalents, beginning of year	1,054,303	4,094,673	-74%
Cash and cash equivalents, end of year	\$ 1,819,539	\$ 1,054,303	73%

Administration fee fund cash increased \$765,236 during the year due to no transfer of administration fees for state match contribution and administration fees received exceeded the personal service and other administrative expenses by \$731,383.

### Set-Aside Fund:

The following section displays the current and prior year financial statements of the set-aside fund and describes some of the major reasons for the changes:

### Set-Aside Fund Net Position

	2023	2022	Percent Change
Current assets	\$ 849,483	\$ 1,266,284	-33%
Non-current assets	452	657	-31%
Total assets	849,935	1,266,941	-33%
Deferred outflows	1,032,330	912,774	13%
Total assets and deferred outflows	1,882,265	2,179,715	-14%
Current liabilities	862,505	1,313,285	-34%
Non-current liabilities	6,566,879	5,825,143	13%
Total liabilities	7,429,384	7,138,428	4%
Deferred inflows	56,553	1,028,624	-95%
Total liabilities and deferred inflows	7,485,937	8,167,052	-8%
Net position	\$(5,603,672)	\$(5,987,337)	-6%

The net position of the set-aside fund decreased \$383,665 in the 2023 reporting period, which was attributable to a \$297,450 decrease in total assets and deferred outflows and a \$681,115 increase in total liabilities and deferred inflows.

### Changes in Set-Aside Fund Net Position

	2023	2022	Percent Change
Operating revenues	\$ 5,617,851	\$ 4,690,964	12%
Operating expenses	5,805,445	5,003,571	6%
Operating loss	(187,594)	(312,607)	-38%
Non-operating expenses	-	-	-100%
Net position, beginning of year	(5,987,337)	(5,674,730)	10%
Prior period adjustment	571,259	-	100%
Net position, end of year	\$ (5,603,672)	\$ (5,987,337)	6%

There was a \$801,874 increase in operating expenses. Salaries and benefits expense increased \$555,755, indirect costs increased \$238,021, and other administrative expenses decreased \$6,722. The increases in operating expenses resulted in a corresponding increase in EPA operating grant revenue.

### Set-Aside Cash Flows:

Typically the set-aside fund does not have a cash balance, as any cash paid out is offset by cash coming in, resulting in the yearly cash provided by operating activities of \$0.

### Custodial Fund:

The following section displays the current and prior year assets and liabilities of the agency fund:

### Custodial Fund Net Position

	2023	2022	Percent Change
Assets	\$ 429,798	\$ 429,293	0%
Liabilities	429,798	429,293	0%
Net Position	\$ -	\$ -	0%

The custodial fund assets and liabilities remained fairly static because the program continues to fund new loans on a payment-by-payment basis instead of placing one-hundred percent of the loan funds at a trustee bank at the time of the loan closing. The remaining agency funds consist of the applicant's unspent loan funds, debt service reserve funds, as well as the rebate funds held for arbitrage payments.

### Changes in Custodial Fund Net Position

	2023	2022	Percent Change
Additions	\$ 5,204,263	\$15,343,408	-66%
Deductions	5,204,263	15,343,408	-66%
Net Position	\$ -	\$ -	0%

The custodial fund additions and deductions had a reduction due to less loan and grant payments to communities.

**Missouri Department of Natural Resources**  
**Drinking Water State Revolving Fund**  
**Statement of Net Position**  
**September 30, 2023 - Unaudited**  
**Exhibit 3**

	Loan Fund	Administration Fee Fund	Set-Aside Fund	Total Enterprise Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 142,237,932	\$ 1,819,539	\$ -	\$ 144,057,471
Restricted investments - current portion	8,475,496	-	-	8,475,496
Receivables:				
Loan interest	667,379	-	-	667,379
Investment interest	378,232	11,528	-	389,760
Administrative fees	-	220,408	-	220,408
Due from EPA	-	-	849,483	849,483
Current portion of loans receivable:				
Leveraged loans	7,990,000	-	-	7,990,000
Direct loans	9,908,538	-	-	9,908,538
Reserve loans	5,497,075	-	-	5,497,075
Total current assets	<u>175,154,652</u>	<u>2,051,475</u>	<u>849,483</u>	<u>178,055,610</u>
Non-current assets:				
Restricted investments	16,760,683	-	-	16,760,683
Loans receivable:				
Leveraged loans	14,505,000	-	-	14,505,000
Direct loans	122,213,608	-	-	122,213,608
Reserve loans	10,304,042	-	-	10,304,042
Capital assets	-	1,599	1,026	2,625
Less accumulated depreciation	-	(1,452)	(574)	(2,026)
Total non-current assets	<u>163,783,333</u>	<u>147</u>	<u>452</u>	<u>163,783,932</u>
Total assets	<u>338,937,985</u>	<u>2,051,622</u>	<u>849,935</u>	<u>341,839,542</u>
Deferred outflows of resources:				
Deferred charge on refunding	417,411	-	-	417,411
Deferred outflows - pension	-	10,777	1,032,330	1,043,107
Total deferred outflows of resources	<u>417,411</u>	<u>10,777</u>	<u>1,032,330</u>	<u>1,460,518</u>
Liabilities:				
Current liabilities:				
Accounts payable	-	-	60,876	60,876
Salaries and benefits payable	-	1,352	193,154	194,506
Bond interest payable	491,030	-	-	491,030
Current portion of bonds payable	10,348,328	-	-	10,348,328
Current portion of unearned revenue	-	-	11,487	11,487
Due to State of Missouri	-	-	596,988	596,988
Other payables	152,402	-	-	152,402
Total current liabilities	<u>10,991,760</u>	<u>1,352</u>	<u>862,505</u>	<u>11,855,617</u>
Non-current liabilities:				
Unearned revenue	-	-	(9,546)	(9,546)
Bonds payable, net	23,284,208	-	-	23,284,208
Net pension liability	-	61,512	6,472,460	6,533,972
Net OPEB liability	-	1	103,965	103,966
Total non-current liabilities	<u>23,284,208</u>	<u>61,513</u>	<u>6,566,879</u>	<u>29,912,600</u>
Total liabilities	<u>34,275,968</u>	<u>62,865</u>	<u>7,429,384</u>	<u>41,768,217</u>
Deferred inflows of resources:				
Deferred inflows - pension	-	234	56,553	56,787
Total deferred inflows of resources	<u>-</u>	<u>234</u>	<u>56,553</u>	<u>56,787</u>
Net position:				
Net investment in capital assets	-	147	452	599
Restricted for loans and debt service	305,079,428	1,999,153	(5,604,124)	301,474,457
Total net position	<u>\$ 305,079,428</u>	<u>\$ 1,999,300</u>	<u>\$ (5,603,672)</u>	<u>\$ 301,475,056</u>

See accompanying notes to the financial statements.

**Missouri Department of Natural Resources**  
**Drinking Water State Revolving Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended September 30, 2023 - Unaudited**  
**Exhibit 4**

	Loan Fund	Administration Fee Fund	Set-Aside Fund	Total Enterprise Funds
Operating revenues:				
Interest income on SRF loans	\$ 2,901,529	\$ -	\$ -	\$ 2,901,529
Administrative fees	-	800,905	-	800,905
EPA set-aside operating grants	-	-	5,617,851	5,617,851
Other	78,440	-	-	78,440
Total operating revenues	<u>2,979,969</u>	<u>800,905</u>	<u>5,617,851</u>	<u>9,398,725</u>
Operating expenses:				
Salaries and benefits	-	56,949	4,063,527	4,120,476
Travel	-	-	30,045	30,045
Other administrative expenses	-	16,557	687,822	704,379
Indirect costs	-	20,959	1,023,847	1,044,806
Depreciation expense	-	319	204	523
Grant payments	2,448,712	-	-	2,448,712
Total operating expenses	<u>2,448,712</u>	<u>94,784</u>	<u>5,805,445</u>	<u>8,348,941</u>
Operating income (loss)	<u>531,257</u>	<u>706,121</u>	<u>(187,594)</u>	<u>1,049,784</u>
Non-operating revenues (expenses):				
Environmental Protection Agency grants	3,685,119	-	-	3,685,119
Investment income	3,219,565	42,215	-	3,261,780
State of Missouri contribution	5,388,634	-	-	5,388,634
Bond issuance expense	(427,495)	-	-	(427,495)
Interest expense on bonds payable	(1,239,582)	-	-	(1,239,582)
Total non-operating revenues (expenses)	<u>10,626,241</u>	<u>42,215</u>	<u>-</u>	<u>10,668,456</u>
Change in net position	11,157,498	748,336	(187,594)	11,718,240
Net position, beginning of year	293,921,930	1,115,839	(5,987,337)	289,050,432
Prior period adjustment	-	135,125	571,259	706,384
Net position, beginning of year as restated	<u>293,921,930</u>	<u>1,250,964</u>	<u>(5,416,078)</u>	<u>289,756,816</u>
Net position, end of year	<u>\$ 305,079,428</u>	<u>\$ 1,999,300</u>	<u>\$ (5,603,672)</u>	<u>\$ 301,475,056</u>

See accompanying notes to the financial statements.

**Missouri Department of Natural Resources**  
**Drinking Water State Revolving Fund**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2023 - Unaudited**  
**Exhibit 5**

	Loan Fund	Administration Fee Fund	Set-Aside Fund	Total Enterprise Funds
Cash flows from operating activities:				
Grant disbursements	\$ (3,615,492)	\$ -	\$ -	\$ (3,615,492)
Loan disbursements	(5,233,215)	-	-	(5,233,215)
Repayments received on loans	21,897,120	-	-	21,897,120
Interest received on loans	3,007,898	-	-	3,007,898
Administrative fees	-	823,079	-	823,079
EPA set-aside grant	-	-	6,034,448	6,034,448
Payments to employees	-	(54,180)	(3,800,045)	(3,854,225)
Other administrative payments	-	(37,516)	(1,747,969)	(1,785,485)
Other	119,589	-	(486,434)	(366,845)
Net cash flows from operating activities	16,175,900	731,383	-	16,907,283
Cash flows from noncapital financing activities:				
Bond principal retired	(10,790,000)	-	-	(10,790,000)
Interest paid on bonds	(1,657,568)	-	-	(1,657,568)
Environmental Protection Agency grants	3,685,119	-	-	3,685,119
Bond issuance costs	(427,495)	-	-	(427,495)
Transfers from other funds	5,388,634	-	-	5,388,634
Transfer to other funds	-	-	-	-
Net cash flows from noncapital financing activities	(3,801,310)	-	-	(3,801,310)
Cash flows from investing activities:				
Proceeds from sales and investment maturities	8,464,931	-	-	8,464,931
Investment income	3,071,691	33,853	-	3,105,544
Net cash flows from investing activities	11,536,622	33,853	-	11,570,475
Increase (decrease) in cash and cash equivalents	23,911,212	765,236	-	24,676,448
Cash and cash equivalents, beginning of year	118,326,720	1,054,303	-	119,381,023
Cash and cash equivalents, end of year	<u>\$ 142,237,932</u>	<u>\$ 1,819,539</u>	<u>\$ -</u>	<u>\$ 144,057,471</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ 531,257	\$ 706,121	\$ (187,594)	\$ 1,049,784
Adjustments to reconcile net operating income (loss) to net cash flows from operations:				
Depreciation expense	-	319	204	523
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
(Increase) decrease in loan interest receivable	106,369	-	-	106,369
(Increase) decrease in loans receivable	16,663,904	-	-	16,663,904
(Increase) decrease in other receivables	41,149	22,174	416,802	480,125
(Increase) decrease in deferred outflows - pension	-	(36,274)	(119,872)	(156,146)
(Increase) decrease in deferred outflows - OPEB	-	89	316	405
Increase (decrease) in accounts payable	(1,166,779)	93	(450,984)	(1,617,670)
Increase (decrease) in net pension liability	-	(146,329)	784,875	638,546
Increase (decrease) in OPEB liability	-	134,769	528,324	663,093
Increase (decrease) in deferred inflows - pension	-	50,502	(972,071)	(921,569)
Increase (decrease) in deferred inflows - OPEB	-	(81)	-	(81)
Net cash flows from operating activities	<u>\$ 16,175,900</u>	<u>\$ 731,383</u>	<u>\$ -</u>	<u>\$ 16,907,283</u>

See accompanying notes to the financial statements.



**Missouri Department of Natural Resources**  
**Drinking Water State Revolving Fund**  
**Statement of Fiduciary Net Position**  
**September 30, 2023 - Unaudited**  
**Exhibit 6**

	<u>Custodial Fund</u>
Assets:	
Cash and cash equivalents	\$ 429,745
Investment interest receivable	<u>53</u>
Total assets	<u>429,798</u>
Liabilities:	
Interest subsidies payable to communities	4
Arbitrage rebate payable	560
Due to other governments	12,934
Other payables	<u>416,300</u>
Total liabilities	<u>429,798</u>
Net position	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

**Missouri Department of Natural Resources**  
**Drinking Water State Revolving Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2023 - Unaudited**  
**Exhibit 7**

	<u>Custodial Fund</u>
Additions:	
Collections from EPA	<u>\$ 5,204,263</u>
Total additions	<u>5,204,263</u>
Deductions:	
Payment of Project costs to Communities	<u>5,204,263</u>
Total deductions	<u>5,204,263</u>
Net increase(decrease) in fiduciary net position	<u>(0)</u>
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ (0)</u></u>

See accompanying notes to the financial statements.

**Missouri Department of Natural Resources  
Drinking Water State Revolving Fund  
Notes to the Financial Statements – Unaudited  
Exhibit 8**

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity**

The Missouri Department of Natural Resources Drinking Water SRF program was established pursuant to the Safe Drinking Water Act (SDWA) Amendments of 1996. Section 1452 of this act authorizes the administrator of the EPA to establish a Drinking Water SRF program to assist public water systems with financing the costs of infrastructure needed to achieve or maintain compliance with the SDWA requirements, to protect public health, and to allow states to carry out prevention programs.

The Drinking Water SRF program was capitalized by the EPA through a series of grants starting in 1997. For most of the grants, states are required to provide an additional 20 percent of the federal capitalization grant as matching funds. As of September 30, 2023, Congress had authorized EPA to award \$543,489,331 in capitalization grants to the State of Missouri. The state is required to contribute \$85,293,666 in matching funds. This includes \$254,166 of state match that is remaining to be spent.

The program is administered by the department, the Missouri Environmental Improvement and Energy Resources Authority (EIERA), and the Missouri Safe Drinking Water Commission. The EIERA issues bonds or notes to finance qualified projects, and the department receives the capitalization grants from the EPA. The program is comprised of four funds within the state and a custodial fund that holds the construction loan funds. The state funds are:

- Water and Wastewater Loan Fund (Fund 0649) – receives the federal capitalization grant funds and uses those funds to make grants and loans;
- Water and Wastewater Loan Revolving Fund (Fund 0602) - receives loan repayments and uses those funds to make new loans;
- Water Pollution Permit Fee Fund (Fund 0568) - receives loan fees charged to borrowers and can be used to pay administration costs of the program; Fund 0568 includes a state match subaccount that funds federal capitalization grant state match; and
- Department of Natural Resources Federal Fund (Fund 0140) - receives federal capitalization grant funds that fund set-aside activities.

The custodial fund accounts for the monies held at trustee banks on behalf of the loan participants, as well as the rebate funds held for arbitrage payments.

Missouri's statewide Annual Comprehensive Financial Report (ACFR) includes the Drinking Water SRF program as a special revenue fund, which uses the modified accrual basis of accounting. Due to differences in reporting methods and periods, there may be differences between the amounts reported in these financial statements and the Annual Comprehensive Financial Report.

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One major difference between the amounts reported in these reports is that the Custodial fund is not included in the Annual Comprehensive Financial Report but is shown in these financial statements.

**Program Operations**

The program provides financing to participants using three main types of funding: leveraged and reserve loans, direct loans, and grants.

**A. Leveraged and Reserve Loans**

Prior to State Fiscal Year (SFY) 2010, the program's main type of financing was through the use of leveraged and reserve loans. Missouri leveraged federal and state matching funds by issuing revenue bonds to make loans to qualified communities and by using federal grant and state matching funds to create reserves for the loans. Interest earned on the reserves subsidized loan interest rates and enhanced the security of the loans, which are pledged to repay bond principal and interest. Borrowers, in essence, received two loans from the Drinking Water SRF program: a market-rate loan funded by the revenue bond proceeds that equaled project construction costs, and a zero-rate loan funded by capitalization grants and state matching funds that funded the reserves for the bonds. Bond proceeds were deposited to the construction loan accounts, which were held by the trustee bank. As communities drew on these funds to pay construction costs, a percentage of that amount (33.33 percent for bonds issued prior to 2002, 50 percent for bonds issued from 2002-2003, and 70 percent for bonds issued after 2003) was transferred to a reserve account established for each borrower. For loans closed in SFY 2009, the reserve accounts were funded at closing rather than as construction funds were released. Earnings in the reserve account reduced the borrower's net interest payments on the bonds, resulting in the subsidized, blended interest rate on the project loan.

Beginning with bond series 2003C, a portion of the revenue bonds sold to fund the leveraged loans were state match bonds that will be repaid with interest earnings on the loans. The state match bond proceeds were used to fund a portion of the construction loan account, while the reserve account was funded with federal grant and recycled funds.

**B. Direct Loans**

Direct loans that were closed prior to SFY 2010 were funded from the Water and Wastewater Loan Revolving Fund. Loan proceeds were deposited to the construction loan accounts, which were held by the trustee bank. As construction costs were incurred, funds were released from the trustee bank to the borrower. The borrower repaid the loan by making monthly principal and interest payments to the trustee bank. On the debt service due dates, the trustee bank makes the debt service payment to the program.

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During SFY 2010, the program changed how it funds direct loans. Instead of funding the loan up front and holding the funds at a trustee bank, the loan is funded incrementally as construction costs are incurred and funds are requested by the loan recipient. The borrower repays the loan by making quarterly principal and interest payments to the trustee bank. These loans are funded with federal grant and/or recycled funds.

**C. Grants**

Missouri was awarded the American Recovery and Reinvestment Act (ARRA) capitalization grant during SFY 2010. The terms and conditions of the ARRA capitalization grant required that not less than 50 percent of assistance provided be in the form of additional loan subsidies, such as principal forgiveness, negative interest loans or grants. Missouri chose to provide the required additional subsidization through grants.

Terms and conditions of the following capitalization grants require that additional subsidization in the form of principal forgiveness, negative interest rate loans, or grants be provided. Missouri has chosen to provide the additional subsidization through grants. However, after passage of the America's Water Infrastructure Act (AWIA) in 2018, the department is required to make additional subsidies available through principal forgiveness rather than grant with a specified percentage of its capitalization grant, beginning with the 2019 capitalization grant. The following table lists the ranges at which additional subsidization is required.

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<b>Federal Fiscal Year</b>	<b>Drinking Water Capitalization Grant</b>	<b>State Fiscal Year Awarded</b>	<b>Minimum Percent</b>	<b>Maximum Percent</b>
2010	FS997629-10	2011	-	30
2011	FS997629-11	2012	-	30
2012	FS997629-12	2013	20	30
2013	FS997629-13	2014	20	30
2014	FS997629-14	2014	20	30
2015	FS997629-15	2015	20	30
2016	FS997629-16	2016	20	20
2017	FS997629-17	2017	20	20
2018	FS997629-18	2018	20	20
2019	FS997629-19	2019	20	20
2019-AWIA*	FS997629-19	2019	6	35
2020	FS997629-20	2020	14	14
2020-AWIA*	FS997629-20	2020	6	35
2021	FS997629-21	2021	14	14
2021-AWIA*	FS997629-21	2021	6	35
2022-Base	FS997629-22	2022	14	14
2022-AWIA**	FS997629-22	2022	12	35
2022-Supp	4D-997978-01	2023	49	49
2022-EC	4E-977977-01	2023	100	100
2022-Lead	4L-967079-01	2023	49	49

\* America's Water Infrastructure Act (AWIA) of 2018 went into effect with the 2019 Capitalization grant and requires the state to make loan subsidies to disadvantaged communities, in addition to the additional subsidy that is required by Congress as stated in the Congressional Appropriations.

\*\* The Safe Drinking Water Act, as amended by the Bipartisan Infrastructure Law, requires the state to offer additional subsidy in the form of forgiveness of principal, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt.

### **Basis of Accounting**

The financial statements include enterprise funds and a fiduciary fund. The loan, administration fee and set-aside funds are presented as enterprise funds and the custodial fund is presented as a fiduciary fund. All funds are maintained on the accrual basis. The enterprise funds are accounted for using the flow of economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time the liabilities are incurred.

All assets, deferred inflows and outflows of resources and liabilities associated with the operations of the enterprise funds are included on the Statement of Net Position. The assets and liabilities of the custodial fund are included on the Statement of Fiduciary Net Position. Fiscal year end accruals include expenditures the program was cognizant of through November 3, 2023.

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Drinking Water SRF reports the following major funds:

*Loan Fund.* The loan fund provides financial assistance to municipalities, counties, political subdivisions and instrumentalities of the state. Funding for these loan programs is generated from federal capitalization grants, proceeds of revenue bonds issued to provide required state matching monies, proceeds of revenue bonds issued for the leveraged program, and recycled monies.

*Administration Fee Fund.* This fund accounts for the administration fees received on loans and the use of those fees to pay salaries, associated expenses of program personnel devoting time to the administration of the program and other eligible purposes.

*Set-Aside Fund.* The set-aside fund provides monies to establish and implement programs with emphasis on preventing contamination problems through source-water protection and encouraging better system operations. The Drinking Water SRF program allows states to reserve up to 31 percent of the capitalization grant to use towards administration and technical assistance, small system technical assistance, public water system supervision program management and local assistance and other state programs. In 2023, the department reserved 31 percent of the federal fiscal year (FFY) 2022 base capitalization grant and 6 percent of the FFY 2022 general supplemental capitalization grant for set-aside activities.

In addition, the program reports the following fund type:

*Custodial Fund.* This fund accounts for monies held on behalf of municipalities, counties, political subdivisions, and instrumentalities of the state. This fund includes the funds generated by the sale of the bonds on behalf of loan participants, which are deposited with a trustee bank in the applicant's name. The custodial fund also includes rebate funds held for arbitrage payments.

**Cash, Cash Equivalents and Investments**

**A. Enterprise Funds**

All monies in the state funds (Funds 0140, 0568, 0602, and 0649) are required to be deposited with the Missouri State Treasurer's Office, which is responsible for maintaining the deposits in accordance with state law. The program considers all such deposits to be cash. Investment interest earnings on these deposits are received by the program periodically throughout the month.

According to state law, the Treasurer is responsible for maintaining the cash balances and investing excess cash of the program, as further discussed in Note 2. Consequently, management of the program does not have any control over the investment of the excess cash. The statement

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of cash flows considers all funds deposited with the Treasurer to be cash or cash equivalents, regardless of actual maturities of the underlying investments.

Monies of the enterprise funds that are held at the trustee bank are invested in either money market mutual funds, guaranteed investment contracts, or state and local government series securities by the trustee bank. The money market mutual funds are considered to be cash or cash equivalents. The securities are longer term investments and are stated at fair value. The contracts are stated at cost as they are not negotiable or transferable and are not affected by market fluctuations. The enterprise funds do not include monies held at trustee banks on behalf of the loan participants. Those monies are accounted for under the custodial fund.

**B. Fiduciary Fund**

The custodial fund accounts for the monies held at trustee banks on behalf of the loan participants, as well as the rebate funds held for arbitrage payments. The program considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

**Operating Revenues and Expenses**

Revenues and expenses as a result of providing loans and grants to participants are considered operating revenues and expenses. Operating revenues include interest earned on loans, administration fee revenue, and operating grants. Operating expenses include grant payments, salaries, benefits, other administrative expenses, and accruals.

The non-operating revenues and expenses of the program are investment income, EPA capitalization grant revenues and bond related expenses.

**Administration Fees**

The program charges an administration fee to borrowers to fund administrative costs of operating the program. The program's administrative expenses are currently paid with administration fees and grant set-aside funds. During the reporting period ending September 30, 2023, \$823,079 was collected for administration fees from borrowers and \$33,853 of investment interest was received. The cash balance of the administration fee fund was \$1,819,539 as of September 30, 2023.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri State Employees' Retirement System (MOSERS) and additions to and deductions from MOSERS' fiduciary net position have been determined on the same basis



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as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Bonds Payable**

Bonds issued are payable from borrower loan repayments. Interest expense is reported on the accrual basis. Any premium or cost of issuing the bonds is reported on the program's financial statements.

Borrowers make monthly payments to debt service repayment accounts, which also earn interest that further subsidizes the interest rates. On bond payment dates, transfers are made from the repayment accounts to the debt service funds to make the semi-annual interest payments and annual bond principal payments. Interest earnings on the construction loan accounts and reserve accounts are also transferred to the debt service funds on the bond payment dates. These interest earnings reduce the amount that is needed from the repayment accounts.

Any loan repayments in excess of semi-annual bond principal and interest amounts flow to the master trust unallocated fund, and, if there are no defaults, are transferred to the Master Trust Interest Accumulation Fund or the Water and Wastewater Loan Revolving Fund to be used to make new loans.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The program has three items that qualify for reporting in this category. Those are the deferred charge on refunding, the deferred outflows for pension, and the deferred outflows for Other Post-Employment Benefits (OPEB), which are reported in the statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The program has two items that qualify for reporting in this category, which are deferred inflows for pension and deferred inflows for OPEB.

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**Pending Governmental Accounting Standards Board Statements**

GASB Statement No. 100

GASB Statement No. 100, *Accounting Changes and Error Correction – An Amendment of GASB Statement No. 62*, was issued June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. Earlier application is encouraged.

GASB Statement No. 101

GASB Statement No. 101, *Compensated Absences*, was issued June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning December 15, 2023. Earlier application is encouraged.

**Prior Period Adjustment**

During FFY 2023, the program reevaluated its estimation for Pension and OPEB deferred outflows of resources, deferred inflows of resources, and liabilities. This reevaluation has caused a prior period adjustment of \$135,125 increase in the administration fee fund and \$571,259 decrease in the loan fund.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2: Cash, Cash Equivalents, and Investments**

**State Funds**

All cash in the state funds (Funds 0140, 0568, 0602, and 0649) is required to be deposited with the State Treasurer, who is responsible for maintaining and investing the pooled cash balances in

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accordance with state laws. The Treasurer is required to maintain a mix of investments in order to allow funds to be withdrawn at any time to meet normal operating needs. The program's share of the investment income from the local government investment pool is based on the average daily balance for the period and is credited to the program periodically throughout the month.

The State Treasurer's Office (STO) has its own policies for custodial credit risk, interest rate risk, credit risk, concentration of credit risk and foreign currency risk. Details of the investments and risks can be obtained from the STO.

All cash and investments in the local investment pool are stated at cost, which approximates fair value. The investments in the local government investment pool are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Trustee Bank Funds**

All cash and investments held by trustee banks are invested in accordance with the trustee investment agreement and the bond indentures. Allowable investments include:

- Federal securities.
- Direct and general obligations of the state which are pledged by the full faith and credit of the state and are rated in either of the two highest rating categories.
- Deposits at banks, trust companies or savings and loan associations which are fully insured by FDIC.
- Federal funds, unsecured certificates of deposit, time deposits and banker acceptances (having maturities of not more than 365 days) of any bank and which are rated in the highest short term rating category.
- Unsecured promissory notes of any bank, trust company, national banking association or bank holding company equal to such institution's outstanding unsecured long term debt that is rated in the highest rating category.
- Tax exempt permitted investments.
- Any other investment agreement with a provider that is rated, or whose unsecured, long term obligations are rated at least "Aa2" or equivalent, or with a provider whose obligations are guaranteed by a guarantor which is rated, or whose unsecured, long term obligations are rated at least "Aa2" or equivalent.
- Commercial paper issued by domestic corporations rated in the second highest short term rating category.
- Shares in money market mutual funds rated in the highest applicable rating category.

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*Custodial credit risk.* This is the risk that, in the event of the failure of the counterparty, the program will not be able to recover the value of its deposits or investments. There are no cash and cash equivalents held by the trustee banks that were exposed to custodial credit risk. Also, no cash and cash equivalents were invested in money market mutual funds.

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates may adversely affect the investment's fair value. The program does not have a policy to address interest rate risk.

*Credit risk.* The trustee banks are responsible for monitoring credit risk as it relates to the types of investments that can be made in accordance with the trustee investment agreement. The program has no investment policy that further limits its investment choices.

*Concentration of credit risk.* The program places no limit on the amount that may be invested with any one issuer.

*Fair value measurement.* The Drinking Water SRF program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2023, the Drinking Water SRF program's government agency and state and local government fixed income securities of \$25,236,179 were valued using pricing of similar assets in markets that were not active (Level 2 input).

As of September 30, 2023, the loan fund had the following investments:

Investment Type	Fair Value	Investment Maturities		
		<1 Year	1-5 Years	>5 Years
Gov't Agency & State and Local	\$25,236,179	\$8,475,496	\$13,366,692	\$3,393,991

### **Note 3: Loans Receivable**

Loans receivable consist of three types: leveraged loans, reserve loans, and direct loans.

Leveraged loans are funded by the sale of revenue bonds, the proceeds of which are deposited into a construction loan fund. Borrowers are loaned funds from the construction loan fund to pay for construction costs incurred. The terms of the loans mirror the terms of the bonds in order to provide the funds to pay bond interest and principal according to the terms of the bonds. In conjunction with the leveraged loan that funds construction, a reserve loan is made to provide an interest subsidy to the borrower and to provide security for bond principal and interest.

With direct loans, there is no bond sale directly related to the loan. The loans are funded directly from the federal capitalization grant or recycled monies.

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The following details the three types of loans as of September 30, 2023:

<b>Loan Type</b>	<b>Loan Amount Authorized</b>	<b>Outstanding Balance</b>
Leveraged	\$250,735,000	\$ 22,495,000
Direct	221,311,700	132,122,146
Reserve	133,403,148	15,801,117
Total	<u>\$605,499,848</u>	170,418,263
Less Current Maturities		23,395,613
Loans Receivable, Net of Current Portion		<u>\$147,022,650</u>

Loans receivable activity during the period ended September 30, 2023, is summarized as follows:

<b>Type of Loan</b>	<b>Sept. 30, 2022 Balance</b>	<b>Disbursements</b>	<b>Repayments</b>	<b>Sept. 30, 2023 Balance</b>
Leveraged Loans	\$ 29,815,000	\$ -	\$(7,320,000)	\$ 22,495,000
Direct Loans	136,412,068	5,233,215	(9,523,137)	132,122,146
Reserve Loans	20,855,100	-	(5,053,983)	15,801,117
	<u>\$187,082,168</u>	<u>\$ 5,233,215</u>	<u>\$(21,897,120)</u>	<u>\$170,418,263</u>

**Loan Maturities**

The scheduled principal payments in subsequent years are as follows:

<b>Year Ending Sept. 30</b>	<b>Leveraged</b>	<b>Direct</b>	<b>Reserve</b>	<b>Total</b>
2024	\$ 7,990,000	\$ 9,908,538	\$ 5,497,075	\$ 23,395,613
2025	6,755,000	10,149,800	4,864,651	21,769,451
2026	4,650,000	10,303,952	3,269,391	18,223,343
2027	1,515,000	10,487,700	1,060,500	13,063,200
2028	965,000	10,605,528	675,500	12,246,028
2029-2033	620,000	48,195,600	434,000	49,249,600
2034-2038	-	28,415,873	-	28,415,873
2039-2043	-	3,881,995	-	3,881,995
2044-2048	-	141,000	-	141,000
2049-2053	-	32,160	-	32,160
Total	\$22,495,000	\$132,122,146	\$15,801,117	\$170,418,263

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**Loans to Major Local Recipients**

As of September 30, 2023, the program had made loans to eight agencies that account for approximately 46 percent of the total loans receivable. The outstanding balances of the loans for these agencies are as follows:

<b>Borrower</b>	<b>Original Amount</b>	<b>Outstanding Principal Balance</b>	<b>Outstanding Reserve Balance</b>
Clarence Cannon WWC	\$ 23,980,000	\$ 4,971,600	\$1,319,383
Hannibal	12,960,000	8,525,100	-
Jefferson County Water Authority	20,167,000	360,700	-
Marshfield	12,474,000	4,825,039	-
Missouri American Water	11,249,000	10,023,751	-
Monett	13,012,000	6,328,900	-
Osage Beach	33,210,000	1,485,000	867,318
Tri-County Water Authority	77,427,000	33,804,000	6,349,819
<b>Total</b>	<b>\$204,479,000</b>	<b>\$ 70,324,090</b>	<b>\$8,536,520</b>

**Note 4: Bonds Payable**

The Missouri Drinking Water SRF program issues revenue bonds as well as using federal capitalization grants and state matching funds to finance qualified projects. Bonds payable and loans receivable are recorded in the loan fund. Cash and project costs payable are recorded in the custodial fund. As borrowers repay the loans, the interest and principal serve as the source of funds to pay bond principal and interest.

The EIARA issued state match revenue bond series 2015A in SFY 2015 and state match revenue bond series 2018A in SFY 2018. Proceeds of these bond sales were deposited into the recycled fund to provide additional funding for new loans. The principal and interest repayments on the program's direct loans have been pledged to make the principal and interest repayments on the bonds.

In SFY 2013, EIARA issued a Refunding Revenue Bond Series 2013A and in SFY 2021, issued Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds Series 2020B, and applied portions of the proceeds to refund certain outstanding bonds of the EIARA, including all of the outstanding prior bonds.

As of September 30, 2023, five separate revenue bond series remain outstanding, which have a total outstanding balance of \$32,240,000. The individual series, outstanding balances, and principal due include:

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Series	Amount Issued	Outstanding Balance	Current Portion
Revenue Bond Series 2013A interest of 2.0% to 5.0% due semi-annually, principal due annually to January 2027. (Refunding Bonds)	\$35,630,000	\$9,335,000	\$4,315,000
Revenue Bond Series 2015A interest of 1.5% to 5.0% due semi-annually, principal due semi-annually to January 2036. (State Match)	5,975,000	2,195,000	340,000
Revenue Bond Series 2015B interest of 3.5% to 5.0% due semi-annually, principal due annually to January 2030. (Refunding Bonds)	19,565,000	12,175,000	1,575,000
2015B Leveraged Portion	18,905,000	12,055,000	1,530,000
2015B State Match Portion	660,000	120,000	45,000
Revenue Bond Series 2018A interest of 1.5% to 5.0% due semi-annually, principal due semi-annually to July 2038. (State Match)	10,020,000	3,990,000	840,000
Revenue Bond Series 2020B interest of .21% to 1.90% due semi-annually, principal due annually to July 2027. (Refunding Bonds)	14,480,000	4,545,000	2,760,000
2020B Leveraged Portion	10,130,000	3,010,000	2,145,000
2020B State Match Portion	4,350,000	1,535,000	615,000
<b>Total Revenue Bonds</b>	<b>\$85,670,000</b>	<b>\$32,240,000</b>	<b>\$9,830,000</b>

Series	Amount Issued	Outstanding Balance	Current Portion
Leveraged Bonds	\$64,665,000	\$24,400,000	\$ 7,990,000
State Match Bonds	21,005,000	7,840,000	1,840,000
Premium on Bonds	-	1,392,536	518,328
<b>Total Revenue Bonds</b>	<b>\$85,670,000</b>	<b>\$33,632,536</b>	<b>\$10,348,328</b>

Bond activity during the year ended September 30, 2023, is summarized as follows:

Series	Sept. 30, 2022 Balance	Repayments	New Issues	Sept. 30, 2023 Balance
Leveraged Bonds	\$32,975,000	\$(8,575,000)	\$ -	\$24,400,000
State Match Bonds	10,055,000	(2,215,000)	-	7,840,000
Premium on Bonds	2,076,112	(683,576)	-	1,392,536
<b>Total Revenue Bonds</b>	<b>\$45,106,112</b>	<b>\$(11,473,576)</b>	<b>\$ -</b>	<b>\$33,632,536</b>

The required annual payments, not including premium and deferred amounts, for all revenue bonds in subsequent fiscal years are as follows:

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Leveraged Bonds

<b>Year Ending Sept. 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$7,990,000	\$985,593	\$8,975,593
2025	6,645,000	681,824	7,326,824
2026	4,845,000	374,015	5,219,015
2027	1,960,000	149,819	2,109,819
2028	1,450,000	82,668	1,532,668
2029-2033	1,510,000	49,464	1,559,464
Leveraged Bonds Total	\$24,400,000	\$2,323,383	\$26,723,383

Match Bonds

<b>Year Ending Sept. 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$1,840,000	\$297,038	\$2,137,038
2025	1,450,000	233,773	1,683,773
2026	970,000	183,513	1,153,513
2027	770,000	146,244	916,244
2028	640,000	113,581	753,581
2029-2033	1,885,000	241,756	2,126,756
2034-2038	285,000	18,550	303,550
Match Bonds Total	\$7,840,000	\$1,234,455	\$9,074,455

**Advance Refundings**

Three separate refunding bond series (Series 2013A, 2015B, and 2020B) totaling \$69,675,000 have been issued to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in irrevocable trusts for the purpose of generating resources for future debt service payments of \$72,680,000 of revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Position. As of September 30, 2023, the amount of refunded bonds that had yet to be called totaled \$220,000.

**Note 5: Arbitrage Rebate**

In accordance with Internal Revenue Code Section 148(f) relating to arbitrage restrictions on tax-exempt bonds, the fiduciary fund recorded a \$560 rebate payable.



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**Note 6: Pension Plan**

**Plan Description**

Benefit eligible employees of the department are provided with pensions through Missouri State Employees' Plan (MSEP) - a cost-sharing multiple-employer defined benefit pension plan administered by Missouri Employee's Retirement System (MOSERS). The plans are referred to as MOSERS in the notes. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an Annual Comprehensive Financial Report (ACFR), a publicly available financial report that can be obtained at [www.mosers.org](http://www.mosers.org).

**Benefits Provided**

MOSERS provides retirement, survivor, and disability benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the two plans administered by MOSERS (MSEP (closed plan) and MSEP 2000 (MSEP 2011 is a tier of the MSEP 2000 plan)) and how eligibility and benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' ACFR at [www.mosers.org](http://www.mosers.org).

**Contributions**

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0 percent of their annual pay. The Drinking Water SRF program's required contribution rate for the year ended June 30, 2023 was 26.33 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the pension plan from the Drinking Water SRF program were \$449,702 for the fiscal year ended September 30, 2023.

**Net Pension Liability**

At September 30, 2023, a liability was reported of \$6,533,972 for the Drinking Water SRF program's proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was offset by the fiduciary net position obtained from MOSERS ACFR as of June 30, 2022 to determine the net pension liability.

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The Drinking Water SRF program's proportion of the net pension liability was based on the department's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2022. At the June 30, 2022 measurement date, the Drinking Water SRF program's proportion was 0.0912 percent, a decrease from its proportion measured using 0.1030 percent as of the June 30, 2021 measurement date. There were no changes in benefit terms during the MOSERS plan year ended June 30, 2022 that affected the measurement of total pension liability.

**Actuarial Assumptions**

The total pension liability in the June 30, 2022 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	2.75% to 10.00% including inflation
Wage Inflation	2.25%
Investment Rate of Return	6.95%, compounded annually, net after investment expenses and including inflation
Actuarial cost method	Entry age normal

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study covering the five-year period ended June 30, 2020 completed in 2021.

**Mortality**

Mortality rates for post-retirement mortality are based on the Pub-2010 General Members Below Median Healthy Retiree mortality table, scaled back by 104 percent, set back two years for males and set forward one year for females. The pre-retirement mortality are based on the Pub-2010 General Members Below Median Employee mortality table, scaled back by 104 percent, set back two years for males and set forward one year for females. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members Below Median Contingent Survivor mortality table, set back two years for males and set forward one year for females. For post-retirement and pre-retirement mortality is projected generationally for 2010 to 2020 using Scale MP-2020 and 75 percent of Scale MP-2020 for years after 2020. Disabled mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table, without mortality projection.

**Long-Term Investment Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

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major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation, volatility, and correlation. Best estimates of the real rates of return expected for each major asset class included in MOSERS target asset allocation as of June 30, 2022, are summarized in the following table:

<b>Asset Class</b>	<b>Policy Allocation</b>	<b>Long-term Expected Nominal Return*</b>	<b>Weighted Average Long-term Expected Nominal Return</b>
Global public equities	30.0%	7.7%	2.3%
Global private equities	15.0%	9.3%	1.4%
Long treasuries	25.0%	3.5%	0.9%
Core bonds	10.0%	3.1%	0.3%
Commodities	5.0%	5.5%	0.3%
TIPS	25.0%	2.7%	0.7%
Private real assets	5.0%	7.1%	0.3%
Public real assets	5.0%	7.7%	0.4%
Hedge funds	5.0%	4.8%	0.2%
Alternative beta	10.0%	5.3%	0.5%
Private credit	5.0%	9.5%	0.5%
Cash and cash equivalents**	(40.0)%	-	-
<b>Total</b>	<b>100.0%</b>		<b>7.8%</b>

\*Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.

\*\*Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

### **Discount Rate**

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made using the actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### **Sensitivity of the Drinking Water SRF Program's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Drinking Water SRF program's proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the Drinking Water SRF program's proportionate share of the net pension liability would be if it were

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calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

	<b>1% Decrease (5.95%)</b>	<b>Current Discount Rate (6.95%)</b>	<b>1% Increase (7.95%)</b>
Program's proportionate share of the net pension liability	\$8,173,056	\$6,533,972	\$5,164,644

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS ACFR, which may be requested from Missouri State Employees' Retirement System, P.O. Box 209, Jefferson City, MO 65102-0209 or viewed on [www.mosers.org](http://www.mosers.org).

**Pension Expense**

For the year ended September 30, 2023, the Drinking Water SRF program recognized pension expense of \$675,003.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At September 30, 2023, the Drinking Water SRF program reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 80,944	\$ (1,700)
Changes of assumptions	150,713	-
Net difference between projected and actual earnings on pension plan investments	338,060	-
Changes in proportion and differences between program contributions and proportionate share of contributions	14,775	(21,610)
Program contributions subsequent to the measurement	449,703	-
Total	<u>\$1,034,195</u>	<u>\$(23,310)</u>

The Drinking Water SRF program reported \$449,703 as deferred outflows of resources related to pensions resulting from Drinking Water SRF program contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending September 30, 2023, of the Drinking Water SRF program's financial statements. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Drinking Water SRF program's fiscal year following MOSERS' fiscal year as follows:

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Plan year ending September 30:

2024	\$ 279,823
2025	28,102
2026	(6,242)
2027	259,499
Total	<u>\$ 561,182</u>

**Payables to the Pension Plan**

As of September 30, 2023, the Drinking Water SRF program had payables of \$34,081 to MOSERS because of benefits accrued for the September 16, 2023 payroll that were not paid until after this reporting period, but earned during the reporting period.

**Note 7: Other Post-Employment Benefits Plan (OPEB)**

**Plan Description**

The Missouri Consolidated Health Care Plan (MCHCP) operates a cost-sharing multiple employer, defined benefit OPEB plan, the State Retiree Welfare Benefit Trust (SRWBT or the Plan). Employees may participate at retirement if eligible to receive a monthly retirement benefit from either the MOSERS or another retirement system whose members are grandfathered for coverage under the Plan by law. The terms and conditions governing postemployment benefits are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended (“RSMo”) 103.003 through 103.178. MCHCP is considered a component unit of the State of Missouri reporting entity and is included in the state’s financial report. The Plan’s financial statements are available on MCHCP’s website at [www.mchcp.org/aboutUs/annualReport.asp](http://www.mchcp.org/aboutUs/annualReport.asp). The SRWBT does not issue a standalone financial report.

**Benefits Provided**

The SRWBT was established and organized on June 27, 2008, pursuant to the Revised Statutes of Missouri (2000) as amended (“RSMo”) 103.003 through 103.178 to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the state and their dependents who meet eligibility requirements except for those retired members covered by other OPEB plans of the state. MCHCP’s three medical plans offer the same, basic coverage such as preventative care, freedom to choose care from a nationwide network of primary care providers, specialists, pharmacies and hospitals, usually at a lower negotiated group discount and the same covered benefits for both medical and pharmacy. Benefits are the same in all three plans, while other aspects differ such as premium, deductible and out-of-pocket costs. Retiree benefits are the same as for active employees. At the participant census date of July 1, 2022,

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membership information for the entire SRWBT consisted of the following:

Active employees – 35,140

Participants and Spouses in Payment Status – 21,943

Participants with a deferred benefit – 78

Disabled participants - 66

Note: Membership information for Drinking Water SRF program employees is not available.

**Contributions**

Contributions are established and may be amended by the MCHCP Board of Trustees with the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended (“RSMo”) 103.003 through 103.178. For the fiscal year ended June 30, 2022, employers were required to contribute 4.34 percent for the period July 1, 2021 through December 31, 2021 and 4.29 percent for the period January 15, 2022, through June 30, 2022 of gross active employee payroll toward their required contributions.

Contributions to the OPEB plan from the Drinking Water SRF program were \$4,182 for the fiscal year ended September 30, 2023.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At September 30, 2023, a liability was reported of \$103,966 for the Drinking Water SRF program’s proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The Drinking Water SRF program’s proportion of the net OPEB liability was based on the department’s share of covered payroll in the OPEB plan relative to the covered payroll of the State of Missouri. At June 30, 2022, the Drinking Water SRF program’s proportion was 0.0074 percent.

For the year ended September 30, 2023, the Drinking Water SRF program recognized OPEB expense of \$3,129 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$3,852	\$ (909)
Changes of assumptions	-	(32,441)
Net difference between projected and actual earnings on OPEB plan investments	838	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	40	(127)
Employer contributions subsequent to the measurement date	4,182	-
Total	<u>\$8,912</u>	<u>\$(33,477)</u>

The amount of \$4,182 reported as deferred outflows of resources related to OPEB resulting from Drinking Water SRF program contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

**Year ending June 30:**

2024	\$(4,423)
2025	(4,436)
2026	(4,488)
2027	(4,327)
2028	(4,274)
Thereafter	(6,799)
Total	<u>\$(28,747)</u>

**Actuarial Assumptions**

Actuarial valuations for the SRWBT involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation to determine the SRWBT's total OPEB liability is required to be performed at least every two years. The SRWBT valuation is performed annually, but should the valuation not be performed as of the fiscal year end, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the SRWBT plan's fiscal year end. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.



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The collective total OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2022. This actuarial valuation used the following actuarial assumptions:

<b>Actuarial Assumptions</b>	
Inflation rate	3.00%
Discount rate	5.50%
Projected payroll growth rate	4.00%
Actuarial cost method	Entry age normal, level percentage of payroll
Asset valuation method	Market value

Health care cost trend rate (medical & prescription drugs combined): Non-Medicare is 6.50 percent for fiscal year 2023 through 2025; the rate decreases by 0.25 percent per year to an ultimate rate of 5.0 percent in fiscal year 2031. Medicare is 14.50 percent for fiscal year 2023, 15.00 percent for fiscal year 2024, 11.50 percent for fiscal year 2025, 10.50 percent for fiscal year 2026, then decreasing by 0.75 percent per year to a rate of 5.25 percent in fiscal year 2033, then 5.00 percent in fiscal year 2034 and after.

Mortality and Annuitant: PRI-2012 for Employees Amount – weighted Mortality Table projected generationally using MP-2021. The last experience study was conducted in July 2020. Termination rates, retirement rates, participation and dependent coverage assumptions were updated as a result of the experience study. Per capita claims costs, administrative expenses and retiree’s contributions were updated based on analysis of 2023 rates.

The discount rate was changed to 5.50 percent from 4.50 percent. Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2023 rates. Trend rates were updated based on anticipated future experience.

**Long-Term Expected Rate of Return**

The target allocation and best estimates of arithmetic real rate of returns for each major asset class are listed in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Real Return</b>
Large cap stocks	19.0%	8.5%
Mid cap stocks	6.0%	8.8%
Small cap stocks	9.0%	8.8%
International Stocks	5.0%	9.0%
BarCap Aggregate bonds	59.0%	3.9%
Cash equivalents	2.0%	2.8%



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**Discount Rate**

A discount rate of 5.50 percent was used to measure the total OPEB liability. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and the contributions from employers will be made at statutorily required rates, actuarially determined. This discount rate was determined as a blend of the best estimate of the expected return on plan assets and the 20-year high quality municipal bond rate as of the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal Bond Buyer 20-Bond General Obligation Index rate is utilized.

**Sensitivity of the Drinking Water SRF Program's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

As required by GASB Statement No. 75, the following table presents the Drinking Water SRF program's proportionate share of the net OPEB liability, calculated using a discount rate of 5.50 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	<b>1% Decrease in Discount Rate (4.50%)</b>	<b>Current Discount Rate (5.50%)</b>	<b>1% Increase in Discount Rate (6.50%)</b>
Program's Proportionate Share of the Net OPEB Liability	\$122,554	\$103,966	\$89,040

**Sensitivity of the Drinking Water SRF Program's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate**

The following presents the Drinking Water SRF program's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the Drinking Water SRF program's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Program's Proportionate Share of the Net OPEB Liability	\$88,837	\$103,966	\$122,785

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**Note 8: Net Position**

The net position of the program is all restricted. The program's enabling legislation and related regulations require that all money in the fund be used only for purposes of the program. The program is capitalized by grants from the EPA, authorized by Section 1452 of the SDWA, and matching funds from the State of Missouri. As of September 30, 2023, the EPA has awarded capitalization grants totaling \$543,489,331 of which \$394,898,530 has been drawn. During 2013, \$18,500,000 of capitalization grant funds were transferred to the Clean Water SRF program. The in-kind amounts of \$1,444 on the FS997629-00, \$100,000 each for the FS997629-06 and FS997629-08 grants, \$74,397 for the FS997629-11, and \$63,000 for the FS997629-21 grant are not available to be drawn. Also, in 2014, \$5,000 was rescinded from the grant. The adjusted award amount after subtracting the transfer, rescinded, and in-kind amounts totaled \$524,650,490.

The following table summarizes the capitalization grants awarded, amounts drawn on each grant, and balances available:

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<b>Grant ID</b>	<b>Grant Amount*</b>	<b>Total Draws Sept. 30, 2022</b>	<b>2023 Draws</b>	<b>Total Draws Sept. 30, 2023</b>	<b>Available Sept. 30, 2023</b>
FS997629-97	\$21,856,417	\$21,856,417	\$ -	\$21,856,417	\$ -
FS997629-98	9,572,970	9,572,970	-	9,572,970	-
FS997629-99	10,034,771	10,034,771	-	10,034,771	-
FS997629-00	10,428,256	10,428,256	-	10,428,256	-
FS997629-01	10,472,900	10,472,900	-	10,472,900	-
FS997629-02	11,702,600	11,702,600	-	11,702,600	-
FS997629-03	11,633,700	11,633,700	-	11,633,700	-
FS997629-04	12,066,800	12,066,800	-	12,066,800	-
FS997629-05	12,041,273	12,041,273	-	12,041,273	-
FS997629-06	15,878,200	15,878,200	-	15,878,200	-
FS997629-07	12,578,000	12,578,000	-	12,578,000	-
FS997629-08	10,616,000	10,616,000	-	10,616,000	-
FS997629-09	10,616,000	10,616,000	-	10,616,000	-
FS997629-10	21,434,000	21,434,000	-	21,434,000	-
2F977082-01	37,862,000	37,862,000	-	37,862,000	-
FS997629-11	18,129,603	18,129,603	-	18,129,603	-
FS997629-12	17,348,000	17,348,000	-	17,348,000	-
FS997629-13	16,277,000	16,277,000	-	16,277,000	-
FS997629-14	17,850,000	17,850,000	-	17,850,000	-
FS997629-15	17,738,000	17,738,000	-	17,738,000	-
FS997629-16	16,781,000	16,781,000	-	16,781,000	-
FS997629-17	16,637,000	16,637,000	-	16,637,000	-
FS997629-18	19,582,000	19,582,000	-	19,582,000	-
FS997629-19	19,399,000	19,377,972	21,028	19,399,000	-
FS997629-20	19,411,000	6,664,501	5,755,701	12,420,202	6,990,798
FS997629-21	19,331,000	-	3,847,700	3,847,700	15,483,300
FS997629-22	12,354,000	-	95,138	95,138	12,258,862
4D997978-01	31,720,000	-	-	-	31,720,000
4E997977-01	13,319,000	-	-	-	13,319,000
4L967079-01	49,980,000	-	-	-	49,980,000
<b>Total</b>	<b>\$524,650,490</b>	<b>\$385,178,963</b>	<b>\$9,719,567</b>	<b>\$394,898,530</b>	<b>\$129,751,960</b>

\*This table reflects adjusted grant amounts as detailed in the paragraph above.

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As of September 30, 2023, state matching contributions were as follows:

	<b>Sept. 30, 2022</b>	<b>2023 Contribution</b>	<b>Sept. 30, 2023</b>
State Appropriations	\$15,504,549	\$5,388,634	\$20,893,183
State Match Bonds (sold by EI ERA)	42,276,597	-	42,276,597
State Match Administration Fee	14,785,003	-	14,785,003
Rural Water Grants	7,085,242	-	7,085,242
Total State Match	<u>\$79,651,391</u>	<u>\$5,388,634</u>	<u>\$85,040,025</u>

The state match bonds sold by EI ERA are being repaid with Drinking Water SRF program interest earnings and are not contributions to fund equity. The state match provided by the Rural Water Grants are not contributions to fund equity as these grants were funded by proceeds from Missouri state bond sales prior to 2012. The state match from administration fees is a contribution to loan fund equity.

**Note 9: Set-Aside Costs**

The Federal SDWA allows states to reserve, or “set aside” up to 31 percent of the capitalization grant to implement and maintain activities to help public water systems provide safe drinking water to the public. The SDWA establishes four categories of set-asides and sets a maximum amount for each. In FFY 2023, the department reserved 31 percent from the FFY 2022 base capitalization grant and 6 percent from the FFY 2022 general supplemental capitalization grant for set-aside activities.

**Set-Aside Capitalization Grant Balances**

As of September 30, 2023, the following capitalization grants have balances available to draw for set-aside activities that are detailed by set-aside category of available funding.

<b>Grant</b>	<b>Program Administration and Technical Assistance</b>	<b>Small System Technical Assistance</b>	<b>Public Water System Supervision</b>	<b>Local Assistance and Other State Programs</b>	<b>Total Funds Available</b>
2020	\$ -	\$ -	\$ 19,597	\$ -	\$ 19,597
2021	51,554	266,719	1,035,334	747,833	2,101,440
2022	402,279	247,080	1,232,143	1,853,100	3,734,602
2023-Base	1,268,800	-	174,460	396,500	1,839,760
2023-EC	-	-	-	-	-
2023-Lead	1,999,200	999,960	7,497,000	-	10,496,160
Total	\$3,721,833	\$1,513,759	\$9,958,534	\$2,997,433	\$18,191,559

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**Set-Aside Federal Draws**

The table below identifies the total amounts drawn from each of the capitalization grants for set-aside activities as of September 30, 2023:

<b>Grant</b>	<b>Program Administration and Technical Assistance</b>	<b>Small Systems Technical Assistance</b>	<b>Public Water System Supervision</b>	<b>Local Assistance and Other State Programs</b>	<b>Total Set- Aside</b>
1997	\$874,304	\$436,780	\$1,435,760	\$1,834,798	\$4,581,642
1998	382,996	191,227	956,241	-	1,530,464
1999	401,416	200,704	1,003,034	-	1,605,154
2000	350,092	207,835	1,043,573	-	1,601,500
2001	414,990	209,110	1,043,225	-	1,667,325
2002	133,446	110,994	826,088	443,559	1,514,087
2003	454,980	227,490	1,137,450	568,725	2,388,645
2004	482,672	241,336	1,206,680	603,340	2,534,028
2005	481,652	240,777	1,204,130	1,204,152	3,130,711
2006	539,128	319,564	1,297,820	1,397,820	3,554,332
2007	639,120	319,560	1,597,800	798,900	3,355,380
2008	632,640	316,320	1,581,600	1,581,600	4,112,160
2009	632,640	316,320	1,581,600	1,581,600	4,112,160
ARRA	700,000	757,240	-	-	1,457,240
2010	1,049,360	524,680	2,623,400	3,935,100	8,132,540
2011	728,160	364,080	1,820,400	2,730,600	5,643,240
2012	693,920	346,960	1,734,800	2,602,199	5,377,879
2013	651,080	325,540	1,627,700	2,441,550	5,045,870
2014	709,200	357,100	1,785,500	2,678,250	5,530,050
2015	709,520	352,896	1,773,800	2,660,700	5,496,916
2016	671,240	335,620	1,678,100	2,517,150	5,202,110
2017	665,480	332,740	1,663,700	2,495,550	5,157,470
2018	783,280	391,640	1,958,200	2,937,300	6,070,420
2019	775,960	387,980	1,939,900	2,909,850	6,013,690
2020	776,440	388,220	1,921,503	2,911,650	5,997,813
2021	724,206	121,161	841,066	2,161,267	3,847,700
2022	91,881	-	3,257	-	95,138
<b>Total</b>	<b>\$16,149,803</b>	<b>\$8,323,874</b>	<b>\$37,286,327</b>	<b>\$42,995,660</b>	<b>\$104,755,664</b>

**Missouri Department of Natural Resources**  
**Drinking Water State Revolving Fund**  
**Notes to the Financial Statements – Continued - Unaudited**  
**Exhibit 8**

**Note 10: Contingencies**

The program is exposed to various risks of loss related to torts, theft of assets, errors or omissions, injuries to state employees while performing program business, or acts of God. The program maintains insurance through the State of Missouri for all risks of loss, which is included in the indirect costs allocated to the program. There have not been any claims against the program since its inception in 1997.

**Missouri Department of Natural Resources  
Drinking Water State Revolving Fund  
Schedules of Required Supplementary Information - Pension  
Exhibit 9**

**Drinking Water SRF's Schedule of Proportionate Share of the Net Pension Liability Last 10 Fiscal Years\***  
(fiscal year ending June 30)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program's proportion of the net pension liability	0.0998%	0.1000%	0.1053%	0.1051%	0.1028%	0.1019%	0.1030%	0.1055%	0.0912%
Program's proportionate share of the net pension liability	\$2,329,478	\$3,212,154	\$4,886,362	\$5,470,108	\$5,735,514	\$6,158,543	\$6,539,179	\$5,895,426	\$6,533,972
Program's covered payroll	\$1,910,240	\$2,017,167	\$2,260,253	\$2,210,056	\$2,135,717	\$1,878,793	\$2,293,197	\$2,087,041	\$1,912,812
Program's proportionate share of the net pension liability as a percentage of its covered payroll	120.95%	164.35%	216.19%	247.51%	268.55%	327.79%	285.16%	282.48%	341.59%
Plan fiduciary net position as a percentage of the total pension liability	79.49%	72.62%	63.60%	60.41%	59.02%	56.72%	55.48%	63.00%	53.53%

\*Figures are based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.  
This schedule is ultimately required to show information for ten years. Only the data for years currently available is displayed.

**Schedule of Agency Contributions Last 10 Fiscal Years\* (fiscal year ending June 30)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Required contribution	\$ 318,628	\$ 342,111	\$ 383,339	\$ 375,047	\$ 415,397	\$ 379,704	\$ 499,229	\$ 477,515	\$ 449,702
Contributions in relation to the required contribution	\$ 318,628	\$ 342,111	\$ 383,339	\$ 375,047	\$ 415,397	\$ 379,704	\$ 499,229	\$ 477,515	\$ 449,702
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program's covered payroll	\$1,910,240	\$2,017,167	\$2,260,253	\$ 2,210,059	\$2,135,717	\$1,878,793	\$2,293,197	\$2,087,041	\$1,912,812
Contributions as a percentage of covered payroll	16.68%	16.96%	16.96%	16.97%	19.45%	20.21%	21.77%	22.88%	23.51%

\*Figures are based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.  
This schedule is ultimately required to show information for ten years. Only the data for years currently available is displayed.

**Notes to the Schedule:**

**Changes of assumptions:** There were no changes in assumptions.

**Missouri Department of Natural Resources  
Drinking Water State Revolving Fund  
Schedules of Required Supplementary Information - OPEB  
Exhibit 10**

**Schedule of the Drinking Water SRF Program's Proportionate Share of the Net OPEB Liability Last 10 Fiscal Years\***  
(fiscal year ending June 30)

	2018	2019	2020	2021	2022	2023
Program's proportion of the collective net OPEB liability	0.0085%	0.0086%	0.0085%	0.0085%	0.0086%	0.0074%
Program's proportionate share of the collective net OPEB liability	\$ 150,347	\$ 149,928	\$ 151,204	\$ 151,850	\$ 147,257	\$ 103,966
Program's covered payroll	\$ 33,512	\$ 23,008	\$ 22,123	\$ 18,468	\$ 21,578	\$ 17,788
Program's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	448.64%	651.64%	683.48%	822.22%	682.45%	682.44%
Plan fiduciary net position as a percentage of the total OPEB liability	6.64%	6.90%	7.31%	8.24%	10.14%	12.12%

\* This schedule is ultimately required to show information for ten years. Only the data for the years currently available is displayed.

**Notes to the Schedule:**

**Changes of assumptions:** The discount rate increased from 4.5 percent to 5.5 percent. The per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2023 rates. Trend rates were updated based on anticipated future experience.

**Schedule of Agency's Contributions Last 10 Fiscal Years\***  
(fiscal year ended September 30)

	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 5,687	\$ 4,475	\$ 4,471	\$ 4,021	\$ 4,937	\$ 4,182
Contributions in relation to the required contribution	\$ 5,687	\$ 4,475	\$ 4,471	\$ 4,021	\$ 4,937	\$ 4,182
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program's covered payroll	\$ 33,512	\$ 23,008	\$ 22,123	\$ 18,468	\$ 21,578	\$ 17,788
Contributions as a percentage of covered payroll	16.97%	19.45%	20.21%	21.77%	22.88%	23.51%

\* This schedule is ultimately required to show information for ten years. Only the data for years currently available is displayed.



Drinking Water SRF Source and Distribution of Loan Administration Fees Fund 0568 For Reporting Period of October 1, 2022 through September 30, 2023					
FFY 2023 Reporting Period Income	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income	DW Capitalization Grant Match	Total
Income	\$ 13,862	\$ 582,812	\$ 226,406	\$ -	\$ 823,079
Interest Earnings	4,837	21,291	7,725	-	33,853
Total	\$ 18,699	\$ 604,103	\$ 234,131	\$ -	\$ 856,932
FFY 2023 Reporting Period Expenses					
Personnel Services	\$ (33,947)	\$ -	\$ -	\$ -	\$ (33,947)
Fringe	(20,233)	-	-	-	(20,233)
Equipment & Expenses	(33)	-	(16,542)	-	(16,575)
PSD Expenditures	-	-	-	-	0
DNR Transfers	(8,697)	-	(2,222)	-	(10,919)
ITSD Transfers	(7,743)	-	(1,707)	-	(9,450)
HB 13 Transfers	(148)	-	(43)	-	(191)
MOVERS Cost Allocation Transfers T636	(344)	-	(37)	-	(381)
Total	\$ (71,145)	\$ -	\$ (20,551)	\$ -	\$ (91,696)
Total	\$ (52,446)	\$ 604,103	\$ 213,580	\$ -	\$ 765,236







Financial Assistance Center

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